

## DOCTOR OF PHILOSOPHY

### An evaluation of structural, strategic and cultural dimensions in global account management relationships

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# **An Evaluation of Structural, Strategic and Cultural Dimensions in Global Account Management Relationships**

**By**

**Holger Wendt**



**April 2015**

*A thesis submitted in partial fulfilment of the University's requirements for the Degree Doctor of Philosophy (PhD).*

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*“Don’t Limit Your Challenges - Challenge Your Limits”*

Dedicated to my parents Elsbeth & Matthias Wendt, and my sister Kerstin

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## Acknowledgements

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Holger Wendt

## **Abstract**

Market globalisation has led globalised companies and corporations to increase focus on synchronised and centralised business operations management to enjoy new and apparently boundless opportunities for growth and profit. The role of supplying companies as partners who provide globally consistent, coordinated and competitive support has been commonly recognised. However, supply base consolidation, increased bargaining power and imposed global competition have increasingly shifted power to the buyers. In order to reinforce balanced and sustainable business dyads, this thesis addresses global account management (GAM), one of the most discussed paradigms within recent sales and customer relationship management literature.

Besides this fact, academics and practitioners still struggle to fully capture the dynamic and complex nature of GAM, not least due to the high degree of internal and external interdependence. Hence, the presented work followed an interdisciplinary aggregation of knowledge in the area of key account management (KAM), GAM and corporate culture. Further, best practice mixed-methods research contributed to a more comprehensive understanding of the interrelations and corresponding factors that determine suppliers' success within global business relationships.

Against this background, the case of a globally leading automotive supplier with long established and sophisticated GAM structures was analysed to gain exclusive primary research insights and add to the existing knowledge base. Thereby King's (1998) template analysis technique found use to evaluate data from 21 semi-structured interviews across operational, management and executive experts from global customer organisations (GCOs), supporting the development of a conceptual, novel and unique global account management performance model: the GPM. Moreover, to cope with the boundaries of purely qualitative research, structural equation modelling based on 199 data sets from an international online survey added to the refinement, statistical validation and generalisation of the findings.

Through this process, the concept of structural, strategic and (corporate) cultural fit between global suppliers and customers have been revealed as key domains of the GPM, influencing relational and financial GAM performance outcomes. Subsequently, the contributions of the presented thesis are manifold: First, they extend the scope of current GAM performance models, as the GPM provides a more comprehensive view on structural and strategic aspects traditionally in the focus of GAM research. Second, they supplement prior account management research with empirical confirmation and complement earlier work in the field of corporate culture by illuminating the role of corporate culture for the first time in an international business context. Third, the study outcomes provide exclusive evidence for raising customer awareness of suppliers' culture and cultural compatibility and explicitly outline cultural fit as a critical performance moderator of global account management.

This study therefore offers new perspectives on performance determinants of GAM. Academics benefit from original theoretical and practical insights into the underlying mechanisms of global supplier-customer relationships and the GPM enables decision makers to build stronger relationships with a wider range of individual, multi-national and global customers.



## **Declaration of Authorship**

I, Holger Wendt, confirm that this thesis '*An Evaluation of Structural, Strategic and Cultural Dimensions in Global Account Management Relationships*' submitted in partial fulfilment for the degree Doctor of Philosophy is my own work and is expressed in my own words. Any uses made within it of the works of other authors, in any form (e.g. ideas, equations, figures, text, tables, programmes), are properly acknowledged at their point of use. A list of the references used is included.

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## List of Abbreviations

ANOVA	One-Way Analysis of Variance
ASV	Average Shared Variance
AVE	Average Variance Extracted
CFI	Comparative Fit Index
CMB / CMV	Common Method Bias / Variance
CMIN/DF	Chi-Square to Degrees of Freedom Ratio
CR	Composite Reliability
CRM	Customer Relationship Management
EFA / CFA	Exploratory- / Confirmatory Factor Analysis
GAM	Global Account Management
GCO	Global Customer Organisation
GMS	Global Marketing Strategy
GPM	Global Account Management Performance Model
IAS	Integration Acculturation Strategy
ICC / IOC	Inter-Country / Inter-Organisational Coordination
IJV	International Joint Venture
IPA	Interpretative Phenomenological Analysis
KA / GA	Key- / Global Account
(I) KAM	(International) Key Account Management
KAMgr / GAMgr	Key- / Global Account Manager
KAMO	Kaiser-Meyer-Olkin Measure of Sampling Adequacy
M&A	Mergers and Acquisitions
MAM / SAM / NAM	Major- / Strategic- / National Account Management
MSV	Maximum Shared Variance
OCD	Organisational Culture Difference(s)
RM	Relationship Marketing
RMSEA	Root Mean Square Error of Approximation
SCM	Supply Chain Management
SD	Standard Deviation
SEM	Structural Equation Modelling
SRMR	Standardised Root Mean Square Residual
TA	Template Analysis
TLI	Tucker and Lewis Index
TMI	Top Management Involvement



# **1 Introduction**

The introductory chapter serves not only to evaluate the background of the presented thesis, but furthermore underpins its relevance, its aims and objectives and its structure.

## **1.1 Background and Relevance of the Thesis**

As far back as the mid-1960s, advances in communication, information, travel and transportation technology triggered the beginnings of a world-wide consumer demand for modern and uniform products (McLuhan and Fiore 1967). Levitt (1983:92) describes this phenomenon of convergence as globalisation: ‘a new commercial reality - the emergence of global markets for standardised consumer products on a previously unimagined scale of magnitude’. These apparently huge commercial opportunities began to shift the focus of companies and corporations from traditional, isolated market places towards a global perspective, thereby experiencing a transformation from (multi-)national towards globalised organisations (Townsend et al. 2004). In fact today, more than five decades later, globalisation has converted traditional business environments into a unified, fast changing and highly complex macrocosm in which global customers, suppliers and competitors do not only interact far beyond ancient geographic and cultural boundaries, but face an unlimited number of options for exchange (Yip 1992, Swoboda et al. 2012).

In order to benefit from this new market environment, globalised organisations continuously aim to increase the outcomes and efficiencies of their world-wide business operations (Canegrati 2009). Thereby, not least due to high global volumes, they aim to achieve synergies and cost efficiencies by exploiting and profiting from economies of scale along procurement, production, logistic, distribution, marketing, management and other parts of the value chain (Bartlett and Ghoshal 2002, Birkinshaw 2001). This generally results in the alignment and centralisation of their core activities, in which suppliers are no longer requested, but are demanded to undertake the critical role of being reliable partners, globally

coordinating and supporting within international business-to-business relationships (Yip 1992, Yip and Madsen 1996).

Considering this internationalisation and globalisation of traditional business relations however, reveals that there are many side effects that do not only introduce potential growth but furthermore create new challenges, levels of complexity and interdependence (McDonald and Woodburn 2007). Against this background, both academics and practitioners increasingly stress the fact that that by moving from local to global and centralised procurement strategies, globalised customers consolidate their supply base, increase their bargaining power and thereby significantly strengthen their position within the supplier-buyer dyad (Senn and Arnold 1999a, Birkinshaw et al. 2001, Capon and Senn 2010). Indeed, Montgomery et al. (1999) report that IBM replaced over 40 of its world-wide advertising agencies with one single supplier, overtaking the entire global business worth \$400-500 million USD. Given the magnitude and impact of IBM's decision, the researchers effectively exemplify the pressure and competition induced by these new forms of global customers. Consequently, more than ever, supplying companies who aim to take part in the race for a global market share are challenged to align and adjust their customer strategies and structures to be perceived as competitive business partners, suitable to establish sustainable, long-term co-operation (Krentzel 2009, Shi et al. 2010, Jean et al. 2015).

Facing these new conditions, both scholars and executives recognise the emerging relevance and drive for innovative global customer management tools and techniques. By internationalising key account management (KAM) as a well-established systematic and relational customer management approach to serve strategically important customers (McDonald et al. 1997, Wengler et al. 2006, Davies and Ryals 2014), academics have drawn their attention to global account management (GAM) as the 'new frontier in relationship marketing' (Yip and Madsen 1996:25) constituting a 'substantial managerial challenge for supplier firms' (Shi et al. 2004:543). Thereby, GAM represents 'an organizational form and process in multinational companies by which the worldwide activities serving a given multinational customer are coordinated centrally by one person or team

within the supplying company' (Montgomery and Yip 2000:2); having gained significant relevance in theory and practice, not least throughout the steadily increasing customer demand and implementation by major international suppliers (Yip and Bink 2007).

In fact, current GAM literature illuminates a broad range of subjects including GAM implementation, organisational structure, processes, people, culture and strategy (e.g. Millman 1996, Montgomery et al. 1999, Harvey et al. 2003a, Toulan et al. 2006, Swoboda et al. 2012, Jean et al. 2015). However, given the relatively young nature of this research discipline, it is not surprising that while suppliers still struggle to set up or obtain successful GAM programmes (Birkinshaw et al. 2001, Yip and Bink 2007, Gao and Shi 2011), a closer review of the literature reveals that researchers find it difficult to agree upon a uniform and comprehensive set of factors and dimensions that determine the performance outcomes of global account management or global customer organisations (GCOs). Hence, more than 10 years later, Shi et al's (2005) call for further empirical examination of organisational capabilities that actually strengthen GAM, continues to prevail. Against this background, researchers and practitioners are further obligated to provide more comprehensive insights into the underlying mechanisms of GAM, guiding supplying companies to become more competitive and successful in their contemporary, global hunt for business.

## **1.2 Research Aim and Objectives**

The main focus of this thesis is the assessment of factors that influence the performance of global customer organisations (GCOs). This will be investigated through the following research aim and its related objectives:

### **Research Aim:**

To develop a comprehensive global account management performance model (GPM) that expands current theoretical frameworks and generates enhanced knowledge of underlying mechanisms in GAM, thereby guiding supplying companies and their global customer organisations (GCOs) to become more successful in managing global business relationships.

**Research Objective (1):**

An investigation into current key- and global account management literature in order to identify factors and dimensions that influence supplier-customer relationships.

**Research Objective (2):**

The evaluation and refinement of theoretical findings by gaining first hand, practical insights from GAM experts and the conceptualisation of a comprehensive global account managed performance model (GPM).

**Research Objective (3):**

The generalisation of the GPM through empirical assessment and statistical validation.

**1.3 Thesis Structure**

This thesis is divided into nine main chapters as presented in Figure 1.

Chapter 1 (Introduction) introduces the field of research and underlines its significance. In addition, the research aim and objectives as well as the thesis structure are presented.

Chapter 2 (Literature Review) provides a review of existing literature in the field of key-, global account management and corporate culture. The outlined limitations and gaps in the literature indicate the need for further research.

Chapter 3 (Underlying Methodological Assumptions) discusses the research methodology and philosophical assumptions applied to this research project.

Chapters 4 (Qualitative Research and Data Collection Methodology) evaluates the qualitative single case study research applied to this thesis.

Chapter 5 (Qualitative Data Analysis and Evaluation) reports the result of 21 expert interviews and introduces a conceptual global account management performance model (GPM) including four major hypotheses.

Chapter 6 (Quantitative Research and Data Collection Methodology) presents the preparation and realisation of a performed large-scale online survey.

Chapter 7 (Quantitative Data Analysis) discusses the analysis of the obtained survey data.

Chapter 8 (Testing and Evaluating the GPM) serves as a validation of the proposed conceptual model. Several quantitative testing procedures are performed to refine the suggested model and to test the proposed hypotheses.

Finally, Chapter 9 (Discussion and Conclusions) summarises the research results highlighted in the previous chapters, provides an overview of theoretical and managerial contributions and delivers suggestions for further research.

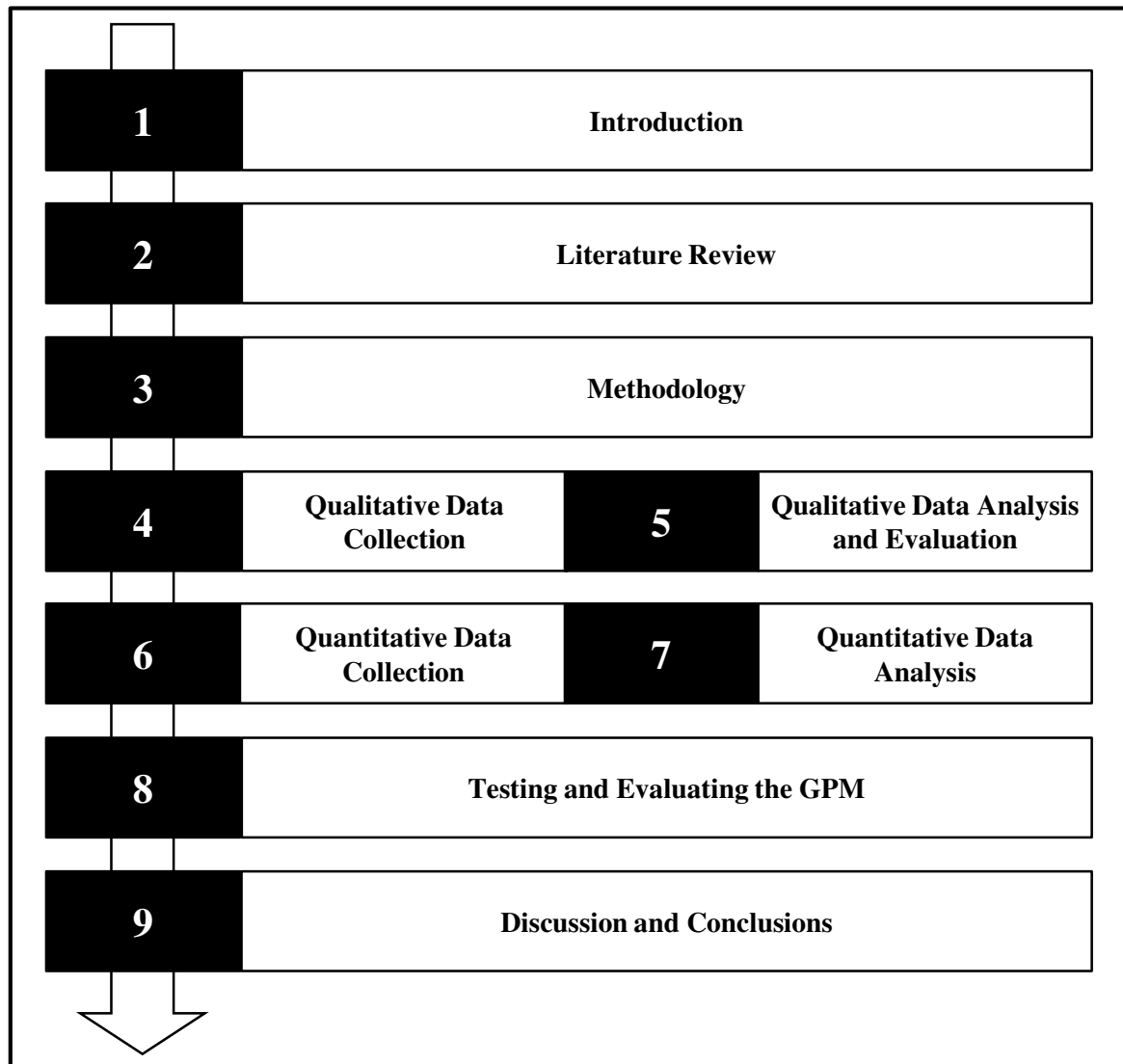


Figure 1: Thesis structure

## **2 Literature Review**

In view of Research Objective (1), this literature review chapter examines significant literature in the fields of KAM, GAM and corporate culture. A critical analysis of the existing explorative frameworks and theoretical key models serves to classify limitations, demonstrates the need for further research and thereby forms the foundation of this research project.

### **2.1 Key Account Management (KAM)**

Market maturity, increased competition and industry consolidation have led to a rapidly changing business environment and the emergence of a new type of business or industrial customer in the form of geographically dispersed, large, powerful corporations (Capon 2001, Davies and Ryals 2009, Woodburn and McDonald 2012). Driven by the everlasting hunt for increased profit, these customers aim to increase efficiency by coordinating and centralising management approaches, demand special customer services and focus on value adding activities such joint product development and marketing, improved logistics efficiency and financing and consulting services (Millman and Wilson 1999b, Homburg et al. 2002). Consequently, with this continuous evaluation and optimisation of supply, development and manufacturing, the selection and evaluation of suppliers has become a crucial task. Therefore, buying companies now strive for closer partnerships with a relatively small number of preferred suppliers who offer equivalent support systems on a long-term and sustainable basis (McDonald et al. 1997, Sharma 1997, Homburg et al. 2002, Davies and Ryals 2014).

As a strategic response to these aggravated customer demands, the concept of key account management (KAM) has become one of the most widely discussed trends in business-to-business marketing practice and has received much attention from academics and practitioners in recent decades (Abratt and Kelly 2002, Zupancic 2008, Guesalaga and Johnston 2010, Ryals and Davies 2013, Belz et al. 2015). KAM not only bundles suppliers' marketing and sales efforts, it also strengthens the integration of other organisational functions in adopting collaborative ways of working with strategically important customers (Millman and Wilson 1996,

Woodburn and McDonald 2012). Thus, it shifts the focus from transactional sales strategies to strategic selling and long-term relationship building (Wengler et al. 2006, Tzempelikos and Gounaris 2013). In this way, sales and marketing activities are not only organised towards customers but also around them, offering comprehensive customer relationship management and customer orientation. By radically changing the understanding of business selling, key account management is considered one of the most fundamental changes in marketing organisations, increasing competitiveness and strengthening the vendor's position in heavily pressured supplier-customer relationships (Homburg et al. 2000, 2002).

To gain a comprehensive understanding of KAM and its fundamental principles, the following paragraphs discuss the definitions and terminology of KAM, address the key concepts of relationship marketing theory, describe a chronological overview of the evolution of the concept, summarise the findings of the literature review and briefly outline the limitations and trends of KAM both in theory and practise.

### **2.1.1 Definitions and Terminology**

In the literature, academics provide a broad range of concepts to describe strategically important buyer-seller relationships in business markets, primarily focussing on constant, long-term interaction between both parties.

The four most frequently used expressions are *national account management* or *marketing* (NAM) (Stevenson 1981, Shapiro and Moriarty, 1984a, Hunter 1987, Wotruba 1996, Lambe and Spekman, 1997, Napolitano 1997, Boles et al.1999), *major account management* (MAM) (Barrett 1986, Colletti and Tubrity, 1987, Turner 1990), *strategic account management* (SAM) (Gosselin and Bauwen 2006, Piercy and Lanae 2006, Al-Husan and Brennan 2009, Storbacka 2012) and *key account management* (KAM) (Millman 1994, Pardo, Salle and Spencer 1995, Millman and Wilson 1996, McDonald et al. 1997, Ojasalo 2001, Homburg et al. 2002, Wengler et al. 2006, Zupancic 2008, Richards and Jones 2009, Woodburn and McDonald 2012, Davies and Ryals 2014). The term KAM is used from here on as Sengupta (2000) argues that key account management encompasses the other

terms, and Homburg et al. (2002) find that key account management is the most accepted term in recent publications. Moreover, further differentiation of the concepts would provide little insight, due to the high degree of shared assumptions and implications between the terms. Instead, a selection and synthesis of the most frequently cited definitions and terminology in KAM research is provided in the following.

Being a fundamental element of KAM, the so called key accounts (KA) represent 'customers in a business-to-business market identified by a selling company as of strategic importance' (Millman and Wilson 1995:9), 'customers who are particularly important for the company' (Pardo 1999:279), 'any organisation that is of strategic importance to the firm' (Capon 2001:44), 'a client or customer that is pivotal to a compound success in a market' (Abratt and Kelly 2002:467) or simply 'the most valuable customers for a company' (Zupancic 2008:323). Thereby, key accounts can be smaller or larger than the selling company in terms of size, may operate on national and/or international levels and vary in their willingness to enter long-term partnerships with their suppliers (Millman and Wilson 1995).

Having understood the role of the customer in the buyer-seller relationships, the core idea of KAM can be traced back to Barrett's (1986) often cited publication: *Why major account selling works*. Herein, the author describes KAM activities simply as 'targeting the largest and most important customers by providing them with special treatment in the areas of marketing, sales and service administration' (1986:64). While referencing centralised purchasing units and supply-base rationalisation as strategic tools for buying companies to achieve competitive advantages, Millman and Willson (1995:9) declare KAM to be a 'seller-initiated type of strategic alliance', thereby underpinning the pro-active character of the concept. Similarly, Yip and Madsen (1996:24) describe KAM as a uniform customer relationship management interface since 'national account management approaches include having one executive or team take overall responsibility for all aspects of a customer's business.



Extending previous definitions, McDonald et al. (1997:737) outline the relational and long-term scope by defining KAM as an ‘approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product / service package tailored to their individual needs’. In a similar vein, Kempeners and van der Hart (1999:311) highlight complex dyadic long-term relationships as being central to the concept in their definition of KAM as ‘the process of building and maintaining relationships over an extended period, which cuts across multiple levels, functions, and operating units in both the selling organisation and in carefully selected customers (accounts) that contribute to the company’s objectives now or in the future’. Therefore, in its essence, key account management serves as a relationship-oriented marketing management strategy that places emphasis on ‘activities including identifying and analysing their key accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-lasting relationships with them’ (Ojasalo 2001:201). Going one step further, Abratt and Kelly (2002:467) add geographical and strategic aspects to the definition by describing the concept as ‘a special strategy used by a selling organization to serve high potential, multi-location accounts with complex needs requiring individual attention through a carefully-established relationship’.

In addition, Workman et al. (2003:7) find that ‘(a) some type of identification of most important customers must occur and (b) additional activities and/or special personnel must be directed at these accounts’, thus defining KAM as ‘the performance of additional activities and / or designation of special personnel directed at an organization’s most important customers’. This view is in line with Wengler et al’s (2006:103) understanding of KAM as ‘an important approach to creating value, by implementing specific processes targeting most important customers’. Likewise Zupancic (2008:323) labels KAM as ‘systematic selection, analysis and management of the most important current and potential customers of a company’ and extends previous definitions by complementing structural prerequisites: ‘It also includes the systematic set up and maintenance of necessary infrastructure.’ Moreover, recognising KAM as ‘the organisation that caters for the

management and the development of the relationship, in a more or less formal structure', Brehmer and Rehme (2009:962) note that 'the seller's marketing strategy involves deliberately forming a structure for the largest and most important customers, with the intention to move from interpersonal relationships to group-on-group relationships'. Finally, more recent attempts to categorise KAM include most of the aforementioned characteristics (e.g. Woodburn and McDonald 2012) which interestingly, are fairly similar to the origins of the concept as shown by Davies and Ryals (2014:1183), who refer to KAM as 'a systematic supplier process for managing strategically-important business-to-business relationships'.

Overall, the presented definitions suggest that KAM forms a systematic management approach focused on regular and future customers of high strategic importance to the supplying company. These key customers receive dedicated services across various organisational levels with the aim of entering and maintaining sustainable, long-term relationships. It should be noted that the significance of building long-term business relationships has received increasing attention from academics and practitioners throughout a number of different research disciplines including, amongst others, organisational buying behaviour, sales, supply and logistics management as well as industrial and services marketing and business network research (McDonald et al. 1997, Ojasalo 2002). However, given the fact that key account customers 'are natural candidates for relationship marketing attention' (Spencer 1999:291), academics tend to agree that Key Account Management (KAM) is often recognised as a new philosophical element or evolutionary development of the relationship marketing (RM) stream (McDonald et al. 1997, Abratt and Kelly 2002, Wengler et al. 2006, Woodburn and McDonald 2012). Consequently, RM literature as the underlying principle of KAM will be discussed in the next section.

### **2.1.2 Relationship Marketing – The Underlying Principle of KAM**

While the majority of traditional marketing theory builds on studies performed in and on consumer markets, it often excludes the distinct and complex patterns as well as the mechanisms found in industrial and service environments (Håkansson 1982, Turnbull and Valla 1986, Turnbull et al. 1996). Furthermore, the primary

focus of the understanding of traditional marketing is laid on relatively simple forms of transactions and exchanges to generate, amongst all groups of customers, the highest possible turnovers and profits (Gummesson 1987). This means that marketers have traditionally manipulated consumer behaviour through a 4P marketing mix that connects providers' portfolios and consumers' requirements but omits critical service and support levels in inter-organisational business relationships (Gummesson 1996, Ford et al. 2011).

Although it should be clear that winning new customers is of great importance, practitioners and academics began to recognise that especially in business markets, real profitability comes with a shift of focus from transactions towards long-term relationships and repeat purchases (Grönroos 1994, Christopher et al. 2013). This fundamental change in the understanding of marketing was driven by (amongst other factors) economic changes in consumer behaviour in mature markets, the increased importance of services and customer retention, the increased costs of customer acquisition due to the growing complexity and competitiveness in the marketplace and also technological developments (McKenna 1991). Consequently during the 1980s, 1990s and 2000s, practitioners and academics have paid increasing attention to a new form of marketing, the relationship marketing (RM) paradigm, and have focused on:

- Cross-functional and comprehensive marketing, emphasising customer value, retention and satisfaction (Christopher et al. 1991, 2002, 2013, Payne et al. 1995).

### *The Anglo-Australian Approach*

- Customer loyalty and customer satisfaction through interaction, communication and value processes (Gummesson 1987, 1996, 2002, Grönroos 1990, 1994, 2007).

### *The Nordic Approach*

- Symbiotic relationships between suppliers and customers (Berry et al. 1983, 2002, Levitt 1983, Perrien et al. 1993, Sheth and Parvatiyar 1995, 2000).

### *The North American Approach*

- Interactions and networks in form of activity links, resource ties and actor bonds within business relationships (Håkansson 1982, Turnbull and Valla 1986, Turnbull et al. 1996)

*The Industrial Marketing and Purchasing (IMP) group*

An early definition of relationship marketing can be found in the work of Berry et al. (1983:66), where the authors label the phenomenon as ‘attracting, maintaining, and – in multi-service organisations – enhancing customer relationships’. In suggesting that long-term marketing is as important as acquiring new customers, these researchers have laid the foundation for the concept of relationship marketing as it is generally understood today, in both theory and practice. Going one step further, in a later article, the author deepens his initial thoughts by advocating RM competencies as a firm’s core marketing concept, ‘a philosophy, not just a strategy, a way of thinking about customers, marketing and value creation, not just a set of techniques, tools and tactics’ (Berry 2002:73). In a similar vein, Morgan and Hunt (1994:22) underline the relational focus of the organisation’s central marketing efforts as supporting any form of exchange, by outlining RM as ‘all marketing activities directed toward establishing, developing and maintaining successful relational exchanges’. By adding the element of interaction between selling and buying companies, Gummesson (1996:32) considers relationship marketing as ‘relationships, networks and interaction’, focussing not only on customer acquisition and transactional selling, but also on customer maintenance throughout the active inter-organisational relationship management.

Sheth and Parvatiyar (1995) provide a framework that outlines the development of relationship marketing based on a shift in transactional marketing axioms from competition and conflict towards mutual cooperation, as well as choice independence towards mutual interdependence. In doing so, they note that competition is rather destructive in supplier – buyer relationships, while mutual cooperation certainly strengthens them. Furthermore, the framework shows that in contrast to the transactional marketing approach, which focusses on the buyer’s independence, interdependence and partnering most likely improves quality and reduces costs for both parties. Thus, these academics support the symbiotic benefits

of interactive marketing relationships between suppliers, customers and other market participants as they are 'inherent as compared to the arm's length relationship under the transactional orientation' (Sheth and Parvatiyar 1995:399). In view of these facts, pre-conditions for relationship marketing are overlapping plans and processes as well as bonds at economic, structural and emotional levels, rendering relationship marketing an 'ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end user customers to create or enhance mutual economic value at reduced cost.' (Sheth and Parvatiyar 2000:8).

Based on an examination of a broad set of relationship management definitions, Harker (1999:15) notes that Grönroos's (1990, 1994) interpretation of marketing is the most elegant of its kind. By underpinning the notion that relationships with business customers usually, but not necessarily, follow a long-term strategy, the author considers that RM should 'establish, maintain, and enhance relationships with customers and other partners at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises' (Grönroos 1990:138). Likewise Lambe and Spekman (1997:64) suggest 'that by moving the relations from discrete market transactions towards full integration, trading relationships become progressively more collaborative'. Although the various interpretations of relationship marketing disagree slightly, Payne et al. (1995) outline the transition of marketing perception from transactional to relational in terms of focus, orientation, timescale, customer service, customer commitment, customer contact and quality. Emphasising this framework, Egan (2011) provides a comprehensive comparison of transactional and relationship marketing principles as presented in Table 1.

Against this background it needs to be understood that KAM, in its function as a systematic selling approach shares similar intentions with RM as it primarily emphasises enhancing customer satisfaction, customer loyalty, customer retention, building sustainable customer relationships and enforcing customer orientation (Davies and Ryals 2009, Gounaris and Tzempelikos 2014). In fact, KAM 'is the

delivery of the theory that relationship marketing propounds' (Cheverton et al. 2004:219).

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**Table 1: Comparison of transactional and relationship marketing (adapted from Egan 2011:39)**

This view is in accordance with that of Millman and Willson (1996), who identify the transition in thinking and behaviour from transactional to a more collaborative form of exchange throughout KAM as a seller initiated form of relationship marketing, supply partnership and competence focus. By shifting importance from conceptualisation to operationalisation, KAM offers supplying companies a formalised RM approach, bundling customer relationship management practices as well as customer focus and development strategies and thereby illustrating the nature of supplier-customer relationships (McDonald et al. 1997, Davies et al. 2010). A deeper analysis of the latter will be presented in the next paragraph.

### **2.1.3 Developing KAM Relationships**

The development and management of strong relationships can be considered as a critical performance indicator of KAM efficiency and hence forms a key component of supplier – customer interaction (Ivens and Pardo 2008). Therefore relationships with key accounts are mainly dictated by scope, depth of involvement and intensity of collaboration. In addition, they develop over time 'with each specific transaction being affected by the history of the relationship, and the relationship modified by each specific exchange' (Millman and Wilson 1995:3). The literature mostly builds on relationship marketing theory. To capture the

complex facets of the supplier – customer relationship, it outlines a broad range of relationship development models. Specifically, researchers highlight different relationship stages and characteristics (Ford 1980) from mutual awareness to dissolution (Dwyer et al. 1987), traditional relationships to extended partnerships (Lamming 1993), provider to procreator selling approaches (Wotruba 1991), pre- to synergistic- and uncoupling KAM (Millman and Wilson 1995), spot market transactions to vertical integration (Lambe and Spekman 1997) and exploratory to integrated KAM relationships (McDonald et al. 2000). Besides the varying terminology, the core of most individual models includes a development from transactional exchange, at the lower end of the relational spectrum, towards high-end collaborative relationships, partnerships or even alliances (Lambe and Spekman 1997, Woodburn and McDonald 2012).

The continuous development of the supplier-customer relationships active in KAM requires the constant readjustment of managerial practices and reallocation of resources and skills. As such, a selection of relationship development models adopted from Speakman (2008), and particularly illuminating to the KAM context, is provided in Table 2 and will be further elaborated in the subsequent discussion.

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**Table 2: Relationship development frameworks in the context of KAM (adopted from Speakman 2008:25)**

The relationship development framework presented by Dwyer et al. (1987) is recognised by KAM researchers to bridge the gap between key account relationships and relational forms of exchange (Ivens and Pardo 2008). More precisely, it describes the evolution of buyer-seller relationships from relatively loose market transactions towards more durable and complex interactions supported 'by shared goals, planning and commitment to the relationship' (Dwyer et al. 1987:15).

Based on the motivation of the buyer and seller to invest in the collaboration, the authors identify five consecutive phases of relationship development including (1) awareness, (2) exploration, (3) expansion, (4) commitment and (5) dissolution. During the awareness phase, potential business partners do not necessarily interact, but recognise and or position each other to become attractive. Here, situational proximity is considered as a facilitator. In the next phase, relational exchange as well as brief obligations such as trial purchases may take place during primary exploration. Therefore, suppliers and buyers evaluate the potential of the relationship based on first experiences before (if both agree) moving on to the expansion phase. The value of the relationship for both business partners increases during this phase, based on mutual satisfaction during the initial collaboration. As a result, the relationship strives towards greater interdependence, investment and risk taking. Optimally, this results in profound commitment, which is considered the most progressive form of buyer-seller interdependence by the authors. At this stage, the business partners deeply engage with each other, resolve conflicts, provide high levels of input, believe in an effective future and consistently fulfil the other's expectations. By including the possibility of withdrawing from or terminating the relationship, the researchers recognise that not every business endeavour evolves automatically as proposed in the framework, but might dissolve at any stage.

Focussing specifically on KAM, the key account relational development model introduced by Millman and Wilson (1995) constitutes one of the most recognised relationship frameworks in KAM research. Throughout their work, the authors outline the transition from purely transactional to fully collaborative relationships by assessing the nature of the relationship and the levels of involvement (simple to



complex) with the customer. As shown in Figure 2, the researchers identify five stages that describe the maturity level of the supplier-customer relationship: (1) Pre-KAM, (2) Early-KAM, (3) Mid-KAM, (4) Partnership-KAM and (5) Synergistic-KAM. A sixth stage, (6) Uncoupling KAM can occur at any time during the relationship development process, resulting in the termination of the relationship.

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**Figure 2: KAM development stages (adopted from McDonald et al. 1997:741)**

In their research paper *Key Account Management: Theory, Practice and Challenges* McDonald et al. (1997) support Millman and Wilson's (1995) initial model with qualitative interview data and provide supplementary explanations of the development stages. Moreover, McDonald et al. (2000) later detail the original thoughts and rename the development stages as (1) Exploratory-KAM, (2) Basic-KAM, (3) Cooperative-KAM, (4) Interdependent-KAM, (5) and Integrated-KAM, in an adapted version of the model that can also be found in Woodburn and McDonald (2012). Building on these findings, Cheverton et al. (2004) highlight possible characteristics of each stage and thereby provide a tool-box for suppliers to evaluate the status of the KAM relationship. To provide a comprehensive analysis of Millman and Wilson's (1995) key account relational development model, a synthesis of the aforementioned sources is of use:

- The (1) Pre- / Exploratory-KAM stage constitutes the preparation for KAM activities. No real transaction between the buying and the selling company exists yet, thus communication is limited. Nevertheless, suppliers start to identify customers as potential key accounts, and the allocation and investment of resources are required to achieve first interaction with the target customer. This stage can be described as ‘scanning and attraction’, a phase with a high level of uncertainty in assessing the customer’s potential and the supplier’s competitiveness.
- At the (2) Early- / Basic-KAM stage, first transactions between the two parties have been established at single points of contact. However, the supplier does not have a significant share of the customer’s business at this stage. By focussing on fulfilling the customer’s product and service requirements, the KAM organisation aims to convince the customer of the beneficial nature of the relationship and thus penetrate the account. At this stage, cost and price discussions are most likely to be the dominant element of the relationship, outweighing other relational factors.
- The change to the (3) Mid- / Cooperative-KAM status is regarded as the transition to greater relationship complexity and growing relationship importance for both supplier and buyer. Information exchange is more detailed, time consuming and includes various hierarchy levels on both sides. Based on previous business, the KAM organisation was able to establish considerable credibility, trust and commitment. This results in the award of the preferred supplier status; however, the customer still considers alternative sources of supply to exit the business relationship.
- In the next stage of the relationship development process, the (4) Partnership- / Interdependent-KAM stage, the supplier was able to position itself as a strategic external source for the buying company and transactions are increasingly based on trust. KAM organisations coordinate and moderate the communication between the organisation’s functional units and ensure continuous focus on customer orientation. Joint problem solving, sensitive information sharing,

continuous improvement measures, stable pricing and an extensive level of involvement as well as interaction underline the high degree of mutual reliance and the scope of a long-term partnership.

- The ultimate stage of the key account relational development model is (5) Synergistic- / Integrated-KAM. At this stage, strong connections exist between the two partners, also labelled as quasi-integration or a sort of merger to generate mutual benefit. This means that the supplying and buying companies share a high level of transparency with regards to strategy, planning and execution. Interfaces are established between every function of the organisations to ensure an optimised flow of information. Moreover, top level management frequently interacts to align all aspects of the partnership. In summary, these measures serve as strong exit barriers, although the supplier understands that it has no exclusive right to be the only supplier.
- Dissolution, the termination of the interaction between supplier and customer is labelled as (6) Uncoupling-KAM. Such termination can occur at any stage of the relationship for various reasons but is, as McDonald et al. (1997) found, often linked to a breach of trust.

Analogous to Millman and Wilson (1995), Lambe and Spekman's (1997) approach to differentiating KAM relationships recognises that supplier-customer relationships can reach from simple spot-market transactions to full vertical supplier integration. The authors provide a framework and specify KAM relations along this continuum, ranging from repeated transactions, to long-term relationships, to buyer-seller alliances, the highest form of KAM relationships. The first are characterised by high volume transactions, as often found in highly competitive or commodity business. In such environments, the sellers can barely achieve significant product / service differentiation. Consequently, buyers tend towards independence to leverage price negotiations, while suppliers award account status to potential customers with a large prospective sales volume. Lambe and Spekman's (1997) second classification covers traditional KAM relationships with a long-term perspective. Such relationships generally require relatively

intensive financial and social investments from both partners since the costs of switching are elevated on all levels for both parties, resulting in a symbiotic level of dependence. In addition, in long-term supplier-buyer relationships, price negotiations are driven by mutual dependence rather than market forces alone. However, according to the authors, joint planning and collaboration are performed on a tactical rather than a strategic level. A high degree of collaboration, joint planning, joint coordination, non-opportunistic behaviour and long-term commitment are attributes of the third and final type of supplier-customer relationship: KAM alliances. The aim of such alliances is a high degree of symbiotic interdependence and integration to streamline business activities and achieve cost benefits for both parties. However, both suppliers and customers must agree to focus on the scope of the partnership rather than their individual aims in order to avoid conflicts encouraged by diverging interests. A collaborative corporate culture is therefore a pre-condition of a KAM alliance (Millman and Wilson 1999a, Storbacka 2012).

In view of the presented literature, it becomes clear that successful KAM relationships require a high level of congruence between seller and buyer in terms of their strategic focus, organisational set-up and cultural orientation. Thus, suppliers need to recognise the nature of key account management relationships, identify their position and reevaluate the relationship status with a (potential) key account to select the right strategies for profitable relationship management. In doing so, suppliers are more likely to avoid the situational misinterpretation that results in costly false investments and lost business opportunities (Woodburn and McDonald 2012). Nevertheless, changing to a KAM relationship also involves some difficulties as the KAM organisation must adjust its skills and capabilities. Additionally, change can be bi-directional and is fluid rather than static (Millman and Wilson 1995, Cheverton et al. 2004). The subsequent paragraphs of this literature review should be understood against this background.

#### **2.1.4 The Evolution of KAM: A Chronological Literature Overview**

Chronological analyses of mainly North American KAM literature find that the early conceptualisation of key account programmes can be traced back to changes

in the business environment during the 1950s and 1960s (Weilbaker and Weeks 1997) as well as the foundation of the National Account Management Association (NAMA) in 1964, as a symposium for sales representatives seeking information on how to manage customers with large, complex accounts (Napolitano 1997). While Napolitano (1997) identifies 1970s socioeconomic factors such as high inflation and the Arab Oil crisis, Weilbaker and Weeks (1997) reference previous articles to indicate that the leading conditions for the shift in sales management practices and priorities were: a reduced supplier and customer base, increased pressure to improve customer service, the upcoming geographic dispersion of the customer's own buyers, increasing pressure from the customer's buyers to reduce costs and achieve better communication, a desire to develop long-term partnerships and the increased sophistication of the customer's buyers (Shapiro and Posner 1976, Shapiro and Wyman 1981, Bragg 1982, Shapiro and Moriarty 1982, Maher 1984). Consequently, 'as more and more pressure was placed on the buyer to reduce costs, increase quality and service and the salesperson to increase sales volume, a few companies ... adopted a new way of approaching these key or major accounts' (Weilbaker and Weeks 1997:50) - key account management.

But how did KAM evolve as a research domain? Throughout their systematic examination of the relevant literature, Weilbaker and Weeks (1997) suggest that based on the product life cycle model, the evolution of the concept can be categorised in a framework of three development stages: introduction, growth and late growth. Firstly, the introduction stage covers literature prior to 1985 and mainly focuses on describing and disseminating general information about KAM. Secondly, the years from 1985-1995 represent the growth stage in the evolution of KAM. By shifting interest from general explanations towards more specific differentiation and performance measures, empirical studies became increasingly important. Finally, literature from 1995-1997, by focussing on specific KAM issues, comprises the late-growth or maturity stage. Performance assessments of various account management dimensions resulted in new challenges for practitioners and academics. In this context, the authors note that 'national account management is beginning to mature and if these new issues are not addressed and

nothing changes, then national account management as it is known today will decline and eventually cease to exist' (Weilbaker and Weeks 1997:54). Throughout their work, the researchers provide an excellent starting point for chronologically assessing KAM literature from 1960 to 1997. However, the assumption that KAM was fully understood in 1997 is negated by the large number of subsequent publications.

Based on previous work by Zupancic (2008), Belz et al. (2015) address this limitation by providing a more contemporary overview of the historical development of KAM. To be more precise, the authors provide a chronological categorisation by highlighting four historical milestones: (1) the genesis of KAM in the 1970s, (2) the professionalisation of KAM throughout the 1980s, (3) the internationalisation of KAM in the beginning of the 1990s, and (4) the specialisation of KAM after the turn of the millennium. However, not least due to the fact that major KAM research in North America and Europe was partially independent, its precise course of evolution as a research domain is indistinct. Respectively it can be criticised that a strict temporal classification of the literature does not always seem appropriate. Nevertheless, the outlined framework provides a good initial guidance for chronologically analysing its development; thus, Belz et al.'s (2015) framework will be adjusted and extended to provide a comprehensive overview of the evolution of KAM. The presented literature encompasses a selection of major publications adopted from Homburg et al. (2002), Richards and Jones (2009), Atanasova (2007), Shi et al. (2010) , Shi and Wu (2011) and Swoboda et al. (2012) and outlines the evolution of KAM as an academic discipline, from its origin until today. A complementary literature summary overview provided in Appendix A1 accompanies the following review.

### **(1) The genesis of KAM**

While companies around the globe have long been using KAM to provide their most important accounts with intensive service (Montgomery et al. 1998), Pegram (1972) is most often recognised as the academic pioneer of KAM research (Weilbaker and Weeks 1997, Zupancic 2008, Jones et al. 2009, Belz et al. 2015). By emphasising the benefits of implementing KAM in full- or part-time positions,

Pegram (1972) lays the foundation for further research, stressing the fact that corporations must be aware that key account management is a crucial function which should be formally grounded in the organisation. Similarly, Stevenson and Page (1979) note, that KAM is especially favoured by suppliers who require distinct selling approaches to manage large customers with a highly concentrated purchasing power.

### **(2) The professionalisation of KAM**

During the 1980s, increased attention from scholars and executives served to professionalise KAM. Specifically, discussions from the first half of this decade describe and disseminate general information about KAM (Weilbaker and Weeks 1997): Stevenson (1981) takes a macro perspective to investigate the benefits of adopting account management programmes. Shapiro and Moriarty (1982) emphasise the geographical, functional and operational complexity of key accounts and topics such as job requirements, customer life cycles, implications for support system performance, organisational implementation. KAM organisational structures, functions, activities and success factors also received academic attention (Platzer 1984, Shapiro and Moriarty 1984a, 1984b). From 1985 onwards, a shift from general explanation towards more specific differentiation and performance measures accompanied an increase in the number of KAM publications, and empirical studies became increasingly important. In this context, researchers pursued customer strategy (Barrett 1986), KAM programme initiation (Hunter 1987), account segmentation (Tutton 1987), performance measurement and compensation plans for account managers (Colletti and Tubridy 1987), account manager hiring practices (Wotruba and Castleberry 1993) and account management programme re-evaluation (Boles et al. 1994). However, the cornerstones of the persisting interest in the phenomenon were as follows: seller transition to KAM (Pardo et al. 1995), the development of key account relationships (Millman and Wilson 1995, Lambe and Spekman 1997, McDonald et al. 1997), KAM personnel skills, abilities and training (Boles et al. 1996, Weeks and Stevens 1997), cost switching in KAM relationships (Sengupta et al. 1997), the perception of KAM in key accounts (Pardo 1997) and analysis of customers' KAM preferences (Sharma

1997). The general acceptance of KAM during this period is furthermore indicated by the fact that the number of account managers tripled between 1991 and 1995 (Napolitano 1997) and that 51% of the companies in a 1997 NAMA study (Bacon 1999) had formal national or strategic account programs in place. Consequently, this climate triggered the ‘golden times’ of KAM and its professionalisation until the late 1990s.

### **(3) The internationalisation of KAM**

Market internationalisation, globalisation and the resulting transformation of customers from relatively independent, national organisations towards centrally and globally managed organisations forced suppliers to adopt and subsequently raise KAM programmes to international levels at the beginning of the 1990s (Yip and Madsen 1996, Birkinshaw et al. 2001, Shi et al. 2004, 2010, Woodburn and McDonald 2012). Whereas national subsidiaries of global corporations had previously selected their own suppliers, decisions now tended to be made centrally, on a global basis and pursued collectively to achieve scale and leverage effects (Montgomery and Yip 2000). At this stage it was no longer optional to respond to globalised industries and customers: it became a necessity to remain competitive (Millman 1996). Consequently, KAM was theoretically and practically no longer restricted to national sales and marketing operations, and the concept of global account management (GAM) gained popularity amongst researchers and managers as the customers’ demands for globally uniform products and services had significantly increased (Montgomery et al. 1998, 1999). This evolutionary step was reinforced by the renaming of the National Account Management Association (NAMA) as the Strategic Account Management Association (SAMA) in 1999, expanding its scope to cover a more complex and international environment (Capon 2001, McNeil 2006).

However, KAM and GAM cannot be understood as independent constructs since both are based on the same principles and thus share the same ‘DNA’ (Belz et al. 2015). Moreover, GAM is a natural development, an extension of traditional KAM practices (Yip and Bink 2007, Shi et al. 2010). However ‘there are some differences that make the international approach specific’ (Zupancic 2008:324)



such as cultural complexity, virtual structures, languages, cross functional teams, country spanning coordination and formalised structures and processes (Homburg et al. 2002, Gosselin and Bauwen 2006, Zupancic and Müllner 2008). As Shi et al. (2010) conclude: Compared with KAM, GAM has a higher contextual complexity as it requires inter-country coordination, faces greater environmental uncertainties and requires increased supervision amongst its executives.

The internationalisation of KAM and transition to GAM has been dominated by a high number of publications focussing on organisational challenges of and frameworks for GAM implementation (Millman 1996, Yip and Madsen 1996, Arnold et al. 2001, Harvey et al. 2003a, Wilson and Weilbaker 2004, Zupancic and Müllner 2008, Canegrati 2009, Krentzel 2009) and the measurement of performance effects throughout the GAM adaptation (Montgomery et al. 1998, 1999, Montgomery and Yip 2000, Birkinshaw et al. 2001, Toulan et al. 2006, Gao and Shi 2011, Swoboda et al. 2012). Other researchers have further highlighted the relevance of global account managers as political entrepreneurs (Wilson and Millman 2003), the role and specific attributes of global account teams (Harvey et al. 2003b, Atanasova and Senn 2011, Salojärvi and Saarenketo 2013), GAM capabilities (Shi et al. 2004, 2005, Jean et al. 2015), organisational structure (Hollensen 2006), the selection of global customers (Yip and Bink 2007), GAM strategies (Shi et al. 2010), knowledge utilisation in GAM (Salojärvi et al. 2010) and the reconfiguration of global account management programmes (Shi and Wu 2011).

### **(4) The specialisation of KAM**

As the concepts were maturing during the 2000s, the literature became more specific (Zupancic 2008). Challenges of structure, implementation, realisation and the evolution of KAM programmes received major academic attention (Dishman and Nitse 1998, Kempeners and van der Hart 1999, Wengler et al. 2006, Al-Husan and Brennan 2009, Davies and Ryals 2009, Nätti and Palo 2012, Rehme et al. 2013, Marcos-Cuevas et al. 2014, Guenzi and Storbacka 2015). Researchers began to assess the role of key account managers (KAMgrs) in greater depth. While Sengupta et al. (2000) as well as Schultz and Evans (2002) evaluate their influence

on KAM performance, Ryals and Rogers (2005) discuss reward systems of sales personnel and outline adequate compensation plans for KAMgrs. Moreover, as found by Jones et al. (2005), the use of KAM teams also increased during the specialisation phase of KAM, resulting in supplementary work on the use of KAM teams, their composition and performance determinants (Hutt and Walker 2006, Bradford et al. 2012). Furthermore, a narrower perspective on KAM relationships has been laid out. This is underlined by the works of Ryals and Rogers (2006), who report on relationship evaluation through key accounts, and Guenzi et al. (2007), who evaluate relational KAM strategies. In a similar vein, researchers have focused on the perception of KAM relationships by customers (Abratt and Kelly 2002, Ivens and Pardo 2007), central relationship development processes (Ashill et al. 2013), relationship drivers (Friend and Johnson 2014) and relationship quality (Gounaris and Tzempelikos 2014). Finally, building on previous research and strong practical experience, academics drew attention to differentiating, improving and refining account management practices to further understand and respectively increase their value. In this context, the empirical works by Homburg et al. (2002) and Workman et al. (2003) can especially be identified as making a significant contribution with respect to the definition of dimensions and the examination of specific factors influencing KAM effectiveness and KAM performance. A number of authors followed these directions by addressing the value of KAM (Pardo et al. 2006), defining KAM success factors (Sharma 2006), evaluating the substance of KAM planning (Ryals and Rogers 2007a) and proposing a positive association between organisational alignment, KAM orientation, KA selection and top management involvement with KAM performance (Gosselin and Bauwen 2006, Richards and Jones 2009, Storbacka 2012, Gounaris and Tzempelikos 2013, Davies and Ryals 2014, Guesalaga 2014, Tzempelikos and Gounaris 2015).

### **2.1.5 Summary and Limitations**

This literature review on KAM has revealed the importance of the key account management as a central, systematic and strategic sales approach enabling suppliers to respond to increasingly sophisticated purchasing procedures of business-to-business customers. By shifting the focus from transactional profit maximisation to

relational value, the principles of RM thereby underpin the fundamental beliefs of KAM and offer supplying companies a set of customer-oriented management practises for targeting their most important customers; their key accounts. Sustainable long-term business relationships form one of the key elements of the concept. As such, as outlined in 2.1.3, their development in the context of KAM takes time, evolves in phases and ultimately depends on the motivation of the exchanging parties. Nevertheless, suppliers are obliged to continuously adapt their strategic focus, management practices, organisational structures and culture to follow a balanced customer relationship management approach and offer an increased relationship value to their customers.

Despite significant recent academic interest in the subject, the evolution of KAM can be traced back to early publications during its genesis in the 1970s. Henceforth, researchers drew their attention to the professionalisation, internationalisation and specialisation of the concept. As the chronological KAM literature review in chapter 2.1.4 indicates, several key elements including the benefits of KAM, KAM structure and implementation, KAM personnel, KAM relationships and factors determining KAM strategy, success and performance have been extensively investigated. During this process a paradigm shift was triggered in KAM research by the substantial transformation from geographically limited towards globally accessible marketplaces at the end of the last century, and the resulting need for supplying companies to particularly manage highly globalised customers and counter international competition. Therefore, global account management (GAM) as an international extension of traditional KAM practices, was not only introduced in the late 1990s but became a key strategy for suppliers in the race for the (global) market share (Swoboda et al. 2012). Considering how rapidly GAM gained importance among practitioners, it is rather surprising that academic literature on the global dimensions of the concept appears relatively limited in comparison to the domestic approach (Shi and Wu 2011). Consequently, to gain a deeper understanding of the phenomenon, the forthcoming sections of this literature review emphasise the global perspective of account management, to span the bridge from KAM to GAM and challenge upcoming questions and limitations.

## **2.2 Global Account Management (GAM)**

As outlined earlier, global account management is not a solely contemporary phenomenon, as it had emerged during the middle of the 1990s as ‘one of the major strategic issues facing multinational companies operating markets that are thinking globally’ (Wilson and Weilbaker 2004:13).

Hence, today we look back over two and a half decades in which scholars increasingly drew attention to GAM. Nonetheless, as shown in the summary overview presented in Appendix A1, the majority of the publications with regards to the internationalisation of KAM generally investigate few or isolated aspects of the phenomenon and as result, discuss fragmented or specialised GAM themes rather than providing a holistic approach. Yip and Madsen (1996), however, developed an integrative and comprehensive GAM framework encompassing all relevant GAM factors, thereby laying the foundation for most of the subsequent GAM research. To be more precise, Yip and Madsen (1996) illuminate a set of key constructs for the use and implementation of GAM: First, they identify various industry globalisation drivers as pre-conditions increasing the need for or and initiate the transition to GAM. Second, by formulating the suppliers’ structural response to globalised customers throughout GAM programmes, they outline several compulsory changes in organisational key dimensions. Third, the framework highlights that these dimensions determine the supplier’s capability to formulate a global strategy and fourth, based on the aforementioned, they outline the benefits GAM implementation.

In order to shed more light on the concept of global account management, Yip and Madsen’s (1996) GAM framework will be used as a baseline herein to define the subject and analyse current GAM literature. Therefore, this chapter focuses on the transition from key to global account management, key dimensions of GAM implementation, existing GAM performance models and limitations and opportunities for deeper analysis.

### 2.2.1 Definitions and Terminology

In both theory and practice, researchers and managers employ various terms to describe globally coordinated customer management activities such as *worldwide* or *parent account management*, *international (key) account management* (IKAM) and *global (key) account management* (GAM) (Millman 1996, Montgomery et al. 1998, Zupancic and Müllner 2008). Due to the nature of the topic, and since worldwide and aligned customer relationship management strategies are the focus, a concrete differentiation of the terms is neither possible nor seems adequate. Given the fact that global account management (GAM) is the most commonly applied terminology in this context (Montgomery et al. 1998), the term GAM will be used within this work. To further clarify the essence of GAM, an analysis of the most common definitions of the concept will be presented within this section of the literature review.

Scholars often refer to GAM as ‘an organizational form and process in multinational companies by which the worldwide activities serving a given multinational customer are coordinated centrally by one person or team within the supplying company’ (Montgomery et al. 1998:1). Birkinshaw et al. (2001:234) stress the increased flow of information induced by the concept and further note that GAM ‘can be seen as a set of systems and procedures that increase the information processing capacity of the MNC in response to heightened information processing needs resulting from global customers’. In addition, Harvey et al. (2003b:564) indicate a dyadic dependency element in international supplier-customer relationships and label GAM as ‘a dependency arrangement between the customer and supplying organisations (or their parts) that are interrelated through both formal and informal ties at multiple levels across national borders’. Similarly, the role of inter-organisational collaboration additionally defines GAM as a ‘collaborative process between a multinational customer and a multinational supplier by which the worldwide buying-selling activities are centrally coordinated between the two organizations’ (Shi et al. 2004:539). This definition can be extended by the thoughts of Zupancic and Müllner (2008:456) who find that GAM represents an organisational function ‘to systematically analyse, select and manage

(potentially) strategic important international customers that have to be managed in a coordinated way because of reciprocal relations between national markets”.

With regards to GAM, Millman (1996:631) describes global customers, so called global (key) accounts (GAs), as ‘multi-national customers which have growing expectation of being supplied and serviced worldwide in a consistent and coordinated way’. This description is congruent with the view of Montgomery et al. (1999), who take into consideration the fact that global customers ‘are multinational companies that buy from the same suppliers in more than one country’ and mirror the view that global customers ‘must have begun to buy on a centralised and coordinated basis..., or at least select their vendors centrally’ (Montgomery and Yip 2000:4). Furthermore, with their definition of key accounts as ‘customers in a business-to-business market identified by a selling company as of strategic importance’, Milmann and Wilson (1996:9) set the foundation for their later categorisation of global accounts as customers which are strategically important and demand globally integrated products and services and centrally coordinating purchasing processes (Wilson and Millman 2003).

Finally, it should be clarified that with regard to the internal organisational design of GAM, academics and practitioners generally refer to *global account management organisations* as specialised organisational units overtaking and bundling global customer management operations (Capon 2001, Wilson et al. 2002a, Canegrati 2009). Hitherto, Arnold et al. (2001:16) have argued that within the organisational context, GAM represents ‘an international customer management organisation, usually a corporate unit with global responsibility’. Consequently, in order to encompass the aforementioned, the expression ‘global customer organisation’ (GCO) will be used throughout this thesis, defining a specialised, dedicated and centrally coordinated unit or function within a supplying company that bundles GAM activities in order to manage and serve global account customers.

Summarising the definitions outlined by previous researchers, it can be concluded that GAM aims for the central coordination of global sales and relationship

management activities with strategically important international and global customers. Again, as previously stated, GAM is to be seen as an internationalisation or globalisation of the KAM concept. Hence, to address the global scope of this research project, the underlying assumptions, common principles and research findings of both concepts will be incorporated into GAM from now on.

### **2.2.2 Transitioning from KAM to GAM**

As outlined in 2.1.4, primarily driven by changes in the external market environment, the concept of KAM experienced internationalisation during the 1990s, increasingly focussing on cross-country coordination and collaboration between supplying companies and global customers (Shi et al. 2004). Consequently, as companies began to adjust and internationalise their customer relationship management, marketing and KAM activities to face the new business environment (Gao and Shi 2011), academics raised the question, ‘why and when should multinational companies expand beyond national account management to global account management?’ (Yip and Madsen 1996:26). In response, Millman (1996:631) indicates that GAM forms a reaction ‘by selling companies to two inter-related structural changes in their business environment: first the growing internationalisation of their industry and unprecedented levels of foreign competition; and second the urgent need to retain customers of strategic importance (i.e. key accounts) against a background of centralised purchasing and supply base rationalisation’. Therefore the transition from KAM to GAM is driven by both the external (market) and internal (strategic) conditions (Shi et al. 2010).

Taking a closer look at the external conditions, industry globalisation, foreign competition and especially customer globalisation are seen as the strongest drivers for the development, implementation of and need for global account management (Yip and Madsen 1996, Montgomery et al. 1998, Birkinshaw et al. 2001, Shi et al. 2004, Zupancic and Müllner 2008). Against this background it is worthwhile mentioning that McLunhan and Fiore (1967:63) were among the first to discuss the early days of globalisation, concluding that: ‘Ours is a brand-new world of all-at-once-ness. “Time” has ceased, “space” has vanished. We now live in a global

village ... a simultaneous happening'. As the authors coin the term 'global village', they describe the transformation from a fragmented towards a homogenised reality following significant advances in communication technology. Particularly focussing on business environments, Levitt (1983) similarly indicates that globalisations of the markets come with shorter distances and reduced isolation, are the result of technological developments in communication, transportation and travel and lead to an increasing request for standardised global products and services. As a strategic response to globalisation, Levitt (1983) further emphasises the shift from differentiation to distinction approaches and thereby describes the transition from multinational to global corporations. This means that the former no longer offer market-specific products or services at high relative costs, but enforce a high quality, globally standardised portfolio with substantial economies of scale in production, distribution, marketing and management. Consequently, globalised customers, in comparison to multinational or local industrial, are able to gain substantial cost efficiencies and consequently competitive advantages in global as well as national marketplaces (Bartlett and Ghoshal 2002).

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**Table 3: Elements of Yip's (1992) industry globalisation framework**



A broader perspective on globalisations and global strategy has been adopted by Yip (1992) as the author provides a comprehensive globalisation framework to illuminate underlying industry conditions and market complexity. Being more precise, as highlighted in Table 3, Yip (1992) identifies market, cost, competitive and government regulation drivers that determine the likelihood of industry globalisation and hence the globalisation of a company.

Yip and Madsen (1996) build on Yip's (1992) globalisation framework and argue that the need for transitioning to GAM originates in a response to globalised and centralised customers exploring competitive advantages around the world. By pooling global purchasing volumes and requesting globally homogenous, standardised products and services, global customers aim to achieve scale effects throughout their procurement function, enforce global competition and thus increase their purchasing power and position within the supplier - buyer relationship (Senn and Arnold 1999). In doing so, global customers 'gain substantial influence over their suppliers' (Shi et al. 2005:96) and impose a reduction and thereby consolidation of the supply base by as much as 70 to 90%, since globalised purchasing requires long-term strategic partnerships with a few capable and reliable key suppliers (Senn and Arnold 1999, Birkinshaw 2001, Capon and Senn 2010). The globalisation of business and customers has many side effects however and adds new levels of complexity and interdependence to customer-supplier relationships (McDonald and Woodburn 2007). In fact, deregulation, consolidation and major technological advances lead to a set of new, globally dominating corporations challenging the strategic flexibility of supplier firms (Harvey et al. 2003b).

To tackle these challenges, suppliers who aim to participate in the race for global customer share must 'follow the global account customer into various countries, be able to cross-subsidise its operations in some markets with resources generated in others, and respond to competitive attacks in one market by counter-attacking in others' (Shi et al. 2010:627). Likewise Shi and Wu (2011) find that GAM offers an expanded KAM approach that specifically focusses on global customers with presences in multiple countries rather than in the same country and stress the fact

that these customers are especially challenging. Yip and Madsen (1996:36) further outline that similar to global customers, global and regional distribution channels might pressure suppliers to rationalise pricing and trade terms globally, as they have the capability to identify differences by performing country-based benchmarking through ‘the arbitrage function of transshipment’. Hence, providing globally coordinated and coherent strategies throughout GAM now seems particularly essential for successful business relationships with global customers through, *inter alia*, an increased balance of power and stability within the relationship (Arnold et al. 2001).

As customer globalisation, centralisation and supply base consolidation form external drivers for the transition from KAM to GAM, the focus of suppliers on a global strategy, and thereby also on global customers in terms of strategic importance represents a key internal driver for the adaptation of global account management programmes (Millman 1996). By emphasising global account customers, dedicating special resources for GAM and offering globally standardised products and services, suppliers signal their priority towards a global rather than a local strategy (Shi et al. 2010). Further specifying this perspective, Yip and Madsen (1996) outline how suppliers might implement globally transferable marketing elements such as brand names, advertising campaigns or selling approaches to strengthen their position in an international business environment. With regards to this position, Harvey et al. (2003a) share a similar view and point out that GAM in particular supports a supplier’s strategic shift towards global coordination and local adaptations of marketing programs, as it facilitates global customer management at beneficial cost levels. In addition, GAM capabilities introduce and optimise active knowledge management practices as they generate, bundle and accumulate worldwide customer information and enable suppliers to learn quickly and adapt innovations from lead countries (Yip and Madsen 1996, Shi et al. 2004). Therefore, as Yip and Madsen (1996) summarise, GAM ensures the strategic consolidation of customer orders and R&D efforts to achieve economies of scale in production and product development, provides the

appropriate levels of technology to individual customer locations and serves a counter-strategy to globalised competitors.

Taken together, mainly due to the globalisation of industries, markets, companies, competitors and the shifting strategic focus of global customers, buyer-supplier relationships now experience new challenges in virtually borderless, global marketplaces (Shi et al. 2010). Considering such a rapid change within this environment, it is not surprising that over the last decades, industrial customers have progressively begun to demand vendor adaptation of GAM programmes and thus induced the paradigm shift from traditional KAM towards international concepts (Montgomery et al. 1999, 2000). Reactively, supplying companies have begun to manage their most important and thereby strategic customers in the best possible way, by providing them with worldwide support throughout the implementation of global structures and strategies (Yip and Bink 2007, Swoboda et al. 2012). Given the fact that transitioning from KAM to GAM combines elements from both regional and global perspectives (Hollensen 2006, Krentzel 2009), it reflects the contemporary zeitgeist of business strategy: *think global, act local*.

### **2.2.3 Key Dimensions of GAM Implementation**

Embedding account management programmes represents a critical task for supplying companies and has been intensively discussed in account management literature (Shapiro and Moriarty 1984a, McDonald et al. 1997, Kempeners and van der Hart 1999, Homburg et al. 2002, Wengler et al. 2006, Al-Husan and Brennan 2009, Canegrati 2009, Davies and Ryals 2009, Nätti and Palo 2012, Marcos-Cuevas et al. 2014). Still, a considerable amount of work in this area focuses on traditional KAM implementation rather than on the challenges that are explicitly induced by the global concept. However, as indicated in 2.2, Yip and Madsen (1996) overcome this limitation through specifically discussing the transition to and successful implementation of GAM. By labelling global account management as ‘the new frontier in relationship marketing’, the authors find that GAM strengthens the supplier’s capability to pursue a global strategy and suggest necessary changes in four central organisation and management dimensions; organisation structure, management processes, people and culture. The interview results of Millman and

Wilson (1999b) partially confirm Yip and Madsen's (1996) initial conclusions and reveal several major barriers for successful GAM implementation. In particular, the researchers find that suppliers need to overcome conflicts between global and local interests (e.g. strategy, power and culture), deficiencies in internal systems (e.g. IT, logistics and location) and blocking customers to establish a globally centralised and coordinated customer management programme.

In addition to the aforementioned, Arnold et al. (2001) outline strategic importance, global marketing and sales strategies as well as executive support as pre-conditions for successful GAM relationships. Furthermore the authors note that defining the role of the GAM team, introducing representative compensation structures, selecting the right global account managers, building strong support networks within the company and establishing endorsements throughout various hierarchal structures, are indispensable requirements to implementing GAM and managing the cooperation between national and global sales organisations. Here, Krentzel (2009) argues that the biggest challenge is not implementing an appropriate strategy and structure; the real struggle is having the right support from different organisational functions and decision makers. This view is expanded by Harvey et al. (2003a), who advocate that suppliers need to overcome issues regarding their motivation for initiating GAM programmes, organisational structure, personnel and staffing strategies, internal and external conflicts as well as increased costs or depressed profit potential. Thus, GAM implementation induces 'significant implications for resource allocation, organisational structure, and supporting infrastructure' which cannot be adopted overnight but constitute 'a long-term process' (Wilson and Weilbaker 2004:16). Moreover, building on previous research, Zupancic and Müllner (2008) provide an orientation framework to structure GAM programmes according to the complexity of the supplying company and the complexity of the products and services sold. Thereby the researchers highlight five key dimensions affecting successful GAM implementation: (1) an appropriate strategy with regards to the internal and external foci of GAM, (2) the supply of world-wide consistent solutions (3) adequate competencies and skill development of GAM people, (4) suitable organisational management including structure, processes and coordination

and (5) the screening of knowledge, information and data to effectively manage global accounts.

In summary, Table 4 illustrates the available literature on GAM implementation and highlights that GAM programmes require supplying companies to sustainably refine their (1) organisational structure, (2) processes, (3) people, (4) culture and (5) strategies. Consequently, through an evaluation of state of the art literature, these key dimensions of GAM implementation will be reviewed in the following sub-sections.

Dimension	Authors
(1) Organisational structure	Yip and Madsen (1996), Millman and Wilson (1999b), Harvey et al. (2003a), Wilson and Weilbaker (2004), Zupancic and Müllner (2008), Krentzel (2009)
(2) Processes	Yip and Madsen (1996), Wilson and Weilbaker (2004), Zupancic and Müllner (2008)
(3) People	Yip and Madsen (1996), Arnold et al. (2001), Harvey et al. (2003a), Wilson and Weilbaker (2004), Zupancic and Müllner (2008), Krentzel (2009)
(4) Culture	Yip and Madsen (1996), Millman and Wilson (1999b), Wilson and Weilbaker (2004), Krentzel (2009)
(5) Strategy	Yip and Madsen (1996), Millman and Wilson (1999b), Arnold et al. (2001), Wilson and Weilbaker (2004), Zupancic and Müllner (2008), Krentzel (2009)

**Table 4: Key dimensions of GAM implementation**

### **(1) Organisational structure**

Taking into account that key- / global account management organisations, units or programmes, herein subsumed as global customer organisations (GCOs), aim to provide a single point of contact to reduce communication barriers between the supplier and the buyer (Schultz and Evans 2002), the structure of such is seen as ‘one of the most interesting and controversial parts of account management systems, because of the variety of organisational options that are available’ (Kempenars and van der Hart 1999:310). Further elaborating this perspective, Kempenars and van der Hart (1999) adapt Shapiro and Moriarty’s (1984a) findings

to outline five major options for structuring GCOs: no programme, part-time programme, full-time GCOs at operating unit level, centralised GCOs at the corporate-level and fully integrated, separated GCOs divisions. With regards to the scope of this literature review, neither the 'no programme' nor the 'part-time programme' option will be further discussed herein as GAM usually builds on existing sales or KAM organisations by adding a higher-level layer of management structure (Yip and Madsen 1996, Harvey et al. 2003a).

GCOs at the group, business unit or divisional level characterise decentralised GAM structures. This means that GCOs serve to leverage sales force efficiency when various groups within the supplying company focus on the same customer and therefore share comparable customer requirements. In contrast, a more integrated and centralised GCO at the corporate level serves as an alternative. The key-criteria therefore are the substantial overlap among the largest accounts and prospects, the advisability of joint sales efforts and the organisation of a general sales force (Shapiro and Moriarty 1984a). Moreover, GCOs as separately operating units or divisions are the latest and most sophisticated form of account management. Shapiro and Moriarty (1984a) state that companies are likely to choose this form of account management when customer accounts are very large, differ from other customers, purchase different goods and require coordination between production and sales. Hence, although fully dedicated divisions can be seen as the ultimate form of implementing GAM, they are only expedient if the volume of the (potential) business justifies the efforts and investments; therefore, the implementation of such structures has to be carefully examined (Harvey et al. 2003a). As a result of their work, Shapiro and Moriarty (1984a) determine that there are many possibilities for implementing account management structures with different advantages and disadvantages. By delineating complex trade-offs amongst the individual options, the researchers conclude that there is no perfect structure. Although the observations are in line with and often build on the basis of common assumptions in account management literature, Shapiro and Moriarty's (1984a) work lacks a useful guideline for implementing GCOs with regard to customer

orientation or performance and therefore fails to provide an answer to the question: Which option is the best?

Atanasova's (2007) research touches on the issue and states that centralised GCOs at a corporate level provide significant advantages for GAM, as global account managers have greater authority and can use corporate influence to solve issues while contributing to increased customer orientation by bundling individual customer channels into 'one voice'. However, increased response times due to the greater complexity of such structures might result in negative customer perception.

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**Figure 3: Combination of central and decentralised approach to GAM (adopted from Hollensen 2006:259)**

To overcome this issue, it is conceivable that companies could integrate hybrid centralised-decentralised GCOs that would allow account divisions to provide fast support on operational levels while not excluding the leverage of corporate power on strategic or general topics as proposed by Hollensen (2006). Within his work, the author presents a centralised-decentralised GAM setup, as shown in Figure 3, and states that suppliers can oppose increasing customer power 'by making local resources (local production and / or services) available for the customers' local production units around the world' (Hollensen 2006:250).

By implementing appropriate GAM structures, suppliers are able to increase their information-processing capacity as well as their bargaining power to the global customer (Shi et al. 2010). Against this background, some researchers identify the benefits of distinct GCO structures (Hollensen 2006, Atanasova 2007), while others stress the importance of aligned supplier-customer setups (Shi et al. 2004, Toulan 2006). Given the high diversity of GCOs and considering industry-specific requirements however, most of the presented literature agrees that there is no 'one fits all' structure available. Nevertheless, the global footprint of vendors and their subsequent ability to provide all customer markets with uniform products or services plays an important role in customers' decision-making processes (Montgomery et al. 2000). Therefore, following Birkinshaw et al.'s (2001) recommendation that GAM from a customer's perspective is meant to be simple, the challenge for supplying companies consists in tailoring GCOs as a single point of contact according to their, as well as their customers' needs.

## **(2) Processes**

Focussing on changes in the supplier's organisation and the new scope of collaboration, the alignment of business and management processes can be considered as a major step during the implementation of GAM (Senn and Arnold 1999a, Shi et al. 2005, Shi and Wu 2011). In this context, Homburg et al. (2002) outline a set of activities exclusively offered to key accounts which must firmly be settled in the supplier's process landscape, such as special pricing, the customisation and adaptation of products and services, the provision of special services, integrated logistics systems, joint coordination of the workflow, communication and information sharing. Moreover, the authors suggest that suppliers take over business processes outsourced by customers.

Based on field research with global suppliers, Shi et al. (2005) refined previous research to develop a framework of GAM capability and performance and identified three distinct GAM processes to this end. The first is described as the process of GAM intelligence acquisition, which includes evaluating the needs of the global account and monitoring changes in the business environment. To establish this process, the authors highlight that suppliers need to assimilate



customer information throughout planning and interaction with the account by exchanging (inter)national best practice knowledge or analysing competitors (Shi and Wu 2011). The second process is labelled GAM coordination and includes inter-organisational and cross-country dimensions. While Shi et al. (2005) describe the process of purposively organising joint activities within the former, the latter represents the process of cross-subsidising the suppliers global resources and interdependently planning competitive moves covering all customer markets. Thereby, 'a higher degree of global integration helps multinational suppliers better serve their global account customers by coordinating resources and activities in multiple country locations and overcoming challenges in GAM such as complex reporting lines, different reward structures, and cultural environments' (Shi and Wu 2011:644). With GAM reconfiguration as the third GAM process in Shi et al.'s (2005) framework, the researchers highlight the constant adjustment of product and service portfolios with customer processes and structures to adapt to ever-changing customer needs. Finally, by drawing on these initial findings, more recent research provides empirical support for the fact that GAM processes facilitate the management of global customers and enhance the overall GAM performance (Shi et al. 2010, Shi and Wu 2011).

Further considering Yip and Madsen's (1996:28) perspective that 'global account management is in itself a process and can also affect several other key management processes and systems', it is suggested that GAM programmes postulate the introduction of new global processes that take the requirements and process landscapes of global account customers into close consideration (Homburg et al. 2002, Wilson and Weilbaker 2004, Zupancic and Müllner 2008). These include the implementation of global strategy information systems, global terms and conditions, cross-country coordination, value added services, strategic planning, reporting and information sharing, global budgeting and performance compensation processes (Yip and Madsen 1996, Wilson and Weilbaker 2004, Yip and Bink 2007).

### **(3) People**

A large body of literature acknowledges the configuration of the customer interface as a key dimension of (global) account management programmes. In particular, the boundary spanning role of the key or global account manager (KAMgr / GAMgr), the use of account management teams as well as the influence of top management involvement has been intensively researched and will be subsequently discussed.

#### *The account manager*

When implementing account management programmes, companies usually create a new position: the key account manager (KAMgr), in addition to their traditional sales force (Davies and Ryals 2009). These take over a broad range of responsibilities ‘for selling, delivery, customer coordination, monitoring orders, coordinating training (if needed), monitoring inventory, assuring proper installation and operation, billing and other activities for geographically dispersed buying centres...’ (Weilbaker and Weeks 1997:50). Napolitano (1997:3) finds that KAMgrs ‘speak to large, complex, strategic customers in one voice which represents the full capabilities of the supplier’. In doing so, KAMgrs, coordinate and tailor the seller’s portfolio, are responsible for sales and profit, facilitate exchange processes and promote KAM concepts in the selling company (Milmann and Wilson 1995). Moreover, by locating specific customer needs and requirements within the seller’s organisation, KAMgrs naturally adopt the two distinct roles of internal sales coordinators and external relationship builders, mediating between their accounts and their company (Wotruba and Castleberry 1993, Jones et al. 2009).

The account manager’s role typically involves interaction with people of varying levels and functions within both companies, competing for and securing internal resources to serve the account customer, and creating alignment between the seller’s and customer’s strategies (Napolitano 1997). As a result of the tied relations with internal stakeholders and customers, Pardo et al. (1999) describes account managers as privileged informants and specialists in information gathering, processing, enriching and redistribution. Hence, the mode of processing functional

tasks, as well as intra- and inter-organisational management activities, label the positions of key- and global account manager as proactive and boundary-spanning (Millman and Wilson 1995, 1999b, McDonald et al. 1997, Guenzi et al. 2007, Jones et al. 2009, Atanasova and Senn 2011).

According to Spencer (1999), the required skills of KAMgrs vary within the organisation, and there is no typical or ideal profile to describe the role. As the success of account management programmes significantly depends on intrapersonal bonds between the supplying and buying company (Guenzi et al. 2007) however, it is not surprising that high a number of researchers have focused on the characteristics that determine effectiveness and performance. To summarise the outcomes and avoid repetition, a detailed overview of recommended skills, competencies and attitudes of KAMgrs is provided in Appendix A2. This includes the findings from Wotruba and Castleberry (1993), who differentiate three desired KAMgr characteristics (traits, knowledge / experience, skills and abilities), then the work of Boles et al. (1996), which explores eight categories of account managers skills and abilities valued by decision makers, McDonald et al.'s (1997) dyadic interview results, 21 KAM individualities identified by Weeks and Stevens (1997), McDonald and Roger's (1998) profile of the ideal KAMgr, Millman and Wilson's (1999b) evaluation of GAMgrs competencies, Sengupta's (2000) differentiation of strategic and KAM abilities, Cheverton et al.'s (2004) listing of leadership and influencing skills, strategic vision and reward focus, Hutt and Walker's (2006) social network perspective of account managers' performance and finally, Ryals and McDonald's (2010) classification of core, advanced and GAM specific account management competencies.

With regard to the latter, researchers underline that the traditional account manager's role needs to be adapted and new competencies developed to achieve an effective management of relationships with global customers as they work in foreign environments with culturally diverse contexts (Yip and Madsen 1996, Zupancic and Müllner 2008). Therefore global account managers (GAMgrs) must overcome intercultural and intrapersonal barriers, understand the global economy, exchange knowledge across national and organisational borders, manage

geographically dispersed teams, resolve conflicts between global and local interests and strengthen a global mind-set (Millman and Wilson 1999b, Harvey et al. 2003b, Ryals and McDonald 2010). With this in mind, Wilson and Millman (2003) conclude that the high degree of complexity and strategic importance of the GAMgrs is significantly different to general line sales associates. In their function as political entrepreneurs, the position of global account managers is 'clearly a boundary-spanning role, performed at both the internal interface between global and local account management (embedded in the headquarters/subsidiary relationship) and at the external interface between the selling company and the dispersed activities of its global account' (Wilson and Millman 2003:153).

#### *Account management teams*

With increasing customer complexity, suppliers allocate resources as well as specialised and diversified knowledge to their customer interface (Salojärvi and Saarenketo 2013). Facing these challenges, there is a growing use of account management teams to cover the coordination of intensive key customers that surpass the individual's management capabilities, internationalise their operations or implement multi-stage purchasing teams (Homburg et al. 2002, Jones et al. 2005, Bradford et al. 2012). Therefore the implementation of KAM teams turns out to be a complex endeavour since hierarchical relationships, team composition and geographical location have to be carefully considered and reflected in the supplier's organisational structure (Kempenars and van der Hart 1999).

With global account management in place, such teams cover 'all persons involved in developing and maintaining relationships with one or several related key customers on a global basis and that its responsibilities include developing a customer strategy and account plan, creating innovative solutions, and coordinating various networks' (Atanasova and Senn 2011:279). As this bridges functional and divisional product groups and geographic units for both the supplier and the customer, the researchers suggest that they enable suppliers to strengthen their co-operation with the customer (Birkinshaw et al. 2001), increase customer knowledge acquisition, dissemination and utilisation (Harvey et al. 2003b, Salojärvi and

Saarenketo 2013), improve relationships with key customers (Arnett et al. 2005) and increase the supplier's GAM performance (Atanasova and Senn 2011).

### *Top management involvement*

Following Napolitano (1997:5), who finds that 'top management sponsorship and involvement is the most critical indicator of success', current academics tend to agree that top management involvement (TMI) is a crucial factor for the successful implementation and organisation of account management programmes (Millman and Wilson 1999a, Workman et al. 2003, Harvey et al. 2003a, Atanasova and Senn 2011). By defining TMI as 'the degree to which senior executives in a company participate in KAM, both directly with customer contact and indirectly through decision-making and organisational alignment', Guesalaga (2014:1147) outlines the internal as well as the external and thus the dual focus of the construct.

Emphasising the internal perspective, Napolitano (1997) suggests that executive commitment results in the allocation of resources to and the securing of organisational support for account management programmes. Similarly, Workman et al. (2003:9) highlight that TMI encourages cross-organisational responsiveness and furthermore include that 'since KAM involves many parts of the organisation, it is important that the top management of the firm sets an example and shows commitment to KAM'. This view is supported by Tzempelikos and Gounaris (2013), who conclude that TMI is a prerequisite to initiating, implementing and affirming the strategic importance of KAM. Additionally, Millman and Wilson (1999a) describe that TMI facilitates the implementation of KAM processes, Harvey et al. (2003b) outline that throughout top management cooperation and endorsement, GAMgrs can assure the strategic customer orientation of the programme and, more recently, Salojärvi (2010) find that TMI enhances customer knowledge utilisation.

Complementary to the internal focus, researchers argue that customer-oriented external TMI results in the greater involvement of customer executives and, as a practical consequence, increases GAM effectiveness (Workman et al. 2003). Therefore it is recommended that the supplier's top management builds social

bonds with executive buyers and decision-makers in the buying company to strengthen the GAM relationship. Despite this, external TMI has to be carefully evaluated since overly intense executive participation might frustrate middle-level managers and confuse customers (Guesalaga 2014). Nevertheless, top management in GAM can be considered an essential and multidimensional factor as it ‘enhances internal and external collaboration, reduces conflict and enforces a more proactive approach to global customers’ (Atanasova and Senn 2011:281).

#### **(4) Culture**

Amongst scholars, there is a general consensus that culture, in terms of corporate or organisational culture, forms a key dimension of successful account management implementation (Millman and Wilson 1999a, Homburg et al. 2002, Workman et al. 2003, Salojärvi et al. 2010). Being pioneers of GAM research, Yip and Madsen (1996:29) argue that corporate culture, as it forms the supplier’s principles, values and behavioural guidelines, can be understood as ‘the most subtle aspect of organisation’, playing ‘a formidable role in helping or hindering global strategy’. Further elaborating this standpoint, the authors note that GAM programmes require companies to rethink their cultural understandings, since GAM naturally drives managers to focus on global rather than local result maximisation. Krentzel (2009) shares a similar view and argues that combining global and local interests of a company’s culture is a prerequisite for successful business development through GAM. Following this argument, Yip and Madsen (1996:29) conclude that if not already in place, the implementation of GAM ‘significantly contributes to building the global culture of a company’.

This fact is recognised as an organisational issue for the development of a supplier’s GAM competencies because global cultures not only facilitate global cooperation but also increase the structural and cultural complexity of an organisation (Wilson and Weilbaker 2004). In particular, long established, adversarial and rigid cultures which are resistant to change often induce conflicts regarding the interests of national subsidiaries and the organisation’s global management and thereby hinder the rollout of the programme (Millman and Wilson 1999b). Similar findings are reported by ALHussan et al. (2014:594) who appoint

the increasing relevance of national culture to GAM and outline that ‘cultural differences such as time and space, interaction models and attitudes toward action, have a major impact on a number of key account management related issues...’. Suppliers aiming to successfully implement GAM however must overcome these critical barriers, as highlighted by Shi et al. (2004). These researchers suggest that corporate culture which supports GAM activities positively influences the performance of the programme. Similar findings are reported by Wilson et al. (2002:75), who state that the closeness and efficiency of GAM relationships ‘depend upon a number of contextual factors including the organisational culture in both companies’. Going one step further, Toulan et al. (2006) put joint venture and alliances research in the context of GAM and evaluate that besides strategy, dependency and organisational factors, similar cultures facilitate the formation of successful relationships between partnering firms. Likewise, Jean et al. (2015) identify that a customer-oriented culture is a critical dimension for effective GAM. However, basic prerequisites are the promotion of a customer-oriented, proactive and collaborative global culture as well as the commitment to global key customers through the supplier’s top management (Abratt and Kelly 2002, Homburg et al. 2002, Zupancic 2008, Storbacka 2012, Guesalaga 2014).

Overall it can be concluded that both suppliers and customers should work within a global culture to validate their GAM strategies, facilitate their GAM activities and foster the scope of the global customer relationships in general (Yip and Madsen 1996, Yip and Bink 2007).

### **(5) Strategy**

Primarily because evidence shows that the use of global strategy enhances the company’s overall performance (Johansson and Yip 1994, Zou and Cavusgil 2002), GAM strategy development towards effective, global supplier-customer relationships and the commitment of the suppliers to pursue this, forms one of the key dimensions of global account management (Yip and Madsen 1996, Shi et al. 2010). Therefore, it can be argued that the formation of GAM strategies widen the scope of KAM activities which, according to Homburg et al. (2002) and Workman et al. (2003), consist of customer specific pricing, product / service customisation,

provision of special services, joint coordination of workflow, information sharing and the outsourcing of customer business processes. Likewise, Ryals and McDonald (2010) adopt the principles of RM theory to suggest the implementation of seven key account strategies as key customers request more complex service levels. These particularly include aligned products, pricing, promotion, place, process and people strategies as well as the perception of customer service to effectively strengthen the KAM relationship.

However, most of what has been published in the area of GAM strategy adopts a global marketing strategy (GMS) perspective to determine GAM outcomes (Shi et al. 2010). In contrast to individual country programmes, GMS represents ‘the degree to which a firm globalises its marketing behaviours in various countries through the standardisation of marketing-mix variables, concentration and coordination of marketing activities, and integration of competitive moves across the markets’ Zou and Cavusgil (2002:43). Hence, ‘the fundamental proposition of GMS is that a firm will enjoy a superior performance when it can successfully develop and implement GAM strategies to address the external environment’ (Shi and Wu 2011:637). Therefore, in comparison to KAM, GAM aims for standardisation, coordination and integration strategies to meet the global customers’ specific needs (Shi et al. 2010). Considering the fact that GAM supports both the exploitation of new business opportunities and the retention of existing business relationships, GAM strategies are concerned with relationship management in addition to relationship development (Millman and Wilson 1999). Subsequently, in view of the aforementioned, Shi et al. (2010:625) define GAM strategies ‘as the extent to which a supplier standardises its marketing-mix activities to serve its global account customer, coordinates these activities internally and externally and integrates competitive moves across country wide markets to retain and grow business with the global account customer’.

Using the cases of several companies as a basis, Yip and Madsen (1996) highlight the role of GAM as a critical aspect of the global orientation of a supplying company as it strengthens its ability to pursue GMS. To be more precise, the



authors illuminate five core elements of global strategy which are enhanced by the implementation of GAM:

- **Build global market participation:** To be able to serve globalised customers in strategic markets, the supplying company needs to be present in all major customer locations. In this context, GAM particularly supports global market participation as it aims at global customer coverage and coordination (Capon and Senn 2010).
- **Develop global products / services:** A second element of global strategy that is enhanced by GAM is the development of global products or services. As outlined by Yip and Madsen (1996), GAM helps to provide a global view of the customers' needs. Toulan et al. (2006) also argue that the higher the fit concerning product and marketing strategies of both companies, the more performant the relationship will be. Thus, suppliers are challenged to identify the needs concerning flexibility and standardisation of their product strategy before building a global strategy.
- **Locate value-adding activities with a global rather than multi-local perspective:** GAM globally supports bundling and coordinating value-adding activities such as engineering or after sales-services. This means that global suppliers focus their activities on a global rather than on a local basis to recognise strategic and competitive advantages by being able to serve customers quickly and efficiently.
- **Use of globally uniform marketing:** Consistent and uniform marketing strategies allow suppliers to use brand reputation to increase recognition in the market and help to avoid inconsistent pricing which may damage the business partnership.
- **Make global competitive moves:** Yip and Madsen (1996) outline that by having GAM programmes in place suppliers gain the ability to identify and approach potential global customers, will be enabled to coordinate relationship management strategies globally and hence reduce the risk of losing business to more globalised competitors.

The literature tends to focus on a strategic orientation towards the customer and its global strategy. Thus, GAM strategies overtake a duplex function that forms as well as executes the company's overall business strategy. Nevertheless it should be understood that suppliers may not feel free to choose their strategy for retaining an account since there may be only one strategic alternative (Ojasalo 2001:204).

#### **2.2.4 GAM Performance Models**

Reviewing the literature revealed that the interrelationship between GAM and its impact on overall company performance forms a broadly discussed dimension in this field of research. As a practical result, a number of researchers developed and tested GAM performance models throughout the identification of different internal and external factors that determine the supplier's GAM performance (Swoboda et al. 2012). Following Atanasova's (2007) proposal, existing performance models can be categorised into three distinct groups according to their content and scope. To be more precise, the researcher distinguishes between a primary group of performance models that study the company's environment, GAM configuration and the interrelation with overall performance. The second includes such models that focus on inter-organisational capabilities that evaluate performance elements and consider both sides of the buyer-seller dyad. Moreover, the third category encompasses models that assess the supplier's internal capabilities and their impact on GAM. Throughout this differentiation, Atanasova (2007) basically covers all important aspects of GAM performance, yet fails to recognise interrelationships between the outlined categories. Taking this fact into consideration, the analysis presented herein is primarily based on and in accordance with Atanasova's (2007) proposal but further acknowledges that some of models may contain elements of more than one category.

Table 5 provides an overview of the literature with respect to GAM performance models which will be chronologically discussed in the following. (\*Note: Shi et al's 2005 framework was already evaluated in 2.2.3 with regards to GAM processes and therefore will not be explicitly listed in this section.)

GAM performance models			
Focus Authors	Company environment	Inter-organisational capabilities	Internal capabilities
Montgomery et al. (1999), Montgomery and Yip (2000)	X		
Birkinshaw et al. (2001)		X	X
Shi et al. (2004)		X	
Shi et al. (2005)*			X
Toulan et al. (2006)		X	
Shi et al. (2010)	X	X	X
Gao and Shi (2011)		X	X
Swoboda et al. (2012)	X	X	X
Jean et al. (2015)		X	X

**Table 5: Selected GAM performance models and their main foci**

With their oft cited publications, Montgomery et al. (1999) as well as Montgomery and Yip (2000) can be seen as pioneers in empirical GAM performance research. By building on Yip and Madsen's (1996) conceptual framework, the researchers highlight environmental factors, such as the degree of customer globalisation as drivers for the increased demand for and the use of GAM. Thereby, managers and teams, customer involvement, performance evaluation and control as well as personnel evaluation and compensation are identified as key aspects of the extent of GAM use. Furthermore, the authors found that 'the greater the extent to which a supplier's Global Account Management programme responds to customers' demands for it, the more favourable the effect on supplier performance' (Montgomery and Yip 2000:13). Thus, Montgomery and Yip (2000) establish a positive link between GAM implementation and supplier performance.

Using another perspective, Birkinshaw et al. (2001) build a GAM performance model based on information processing and resource dependency theory. The researchers propose that besides a set of control variables, GAM performance in

terms of efficiency / sales growth and partnership with the customer depend on two internal as well as inter-organisational capabilities: the information processing capacity and relative bargaining power of a supplier. While the former subsumes three elements: the scope of the relationship, communication through the GAMgr and the extent to which internal systems support the account, the latter investigates the centralisation of vendor and customer activities as well as customer dependence on the vendor. Using an extensive empirical examination, Birkinshaw et al. (2001) find support for the proposed impact of information processing on GAM performance and further point out that the centralisation of sales activities and high level of customer dependence on the supplier strengthens the bargaining power of the latter.

The conceptual framework of GAM capabilities and their impact on GAM performances developed by Shi et al. (2004), illuminate its inter-organisational aspects and capabilities. The framework captures two antecedents of GAM related capabilities, goal congruence and resource complementarity, as well as the three main inter-organisational capabilities, collaboration orientation, GAM strategic fit and GAM configuration, as mediators of successful business relationships. While collaborative orientation describes a set of values which is shared by the vendor and the buyer, the concept of strategic fit subsumes various dimensions (global standardisation, participation and coordination fit) of a matching global strategy between the two business partners. Moreover, Shi et al. (2004:547) classify GAM configuration into activities, actors, support and formalisation and indicate its role as ‘a type of inter-organisation, relation-specific asset in that the investments for configuration are specialised or unique to a specific GAM relationship and are not easily transferable to other relationships’. The researchers assume that the described inter-organisational capabilities positively affect a dyadic competitive advantage and joint profit performance, achieved through the efforts of both organisations. Due to the fact that Shi et al.’s (2004) proposed framework is purely conceptual however, it lacks statistical evidence to support the anticipated interrelationships.

Despite this, partial confirmation of Shi et al's (2004) conceptual framework can be found in in Toulan et al's (2006) work on the role of inter-organisational fit in GAM. Taking a matching interaction perspective, the researchers develop a model introducing the concepts of strategic and structural fit and assume a positive effect on the scope of GAM relationships in terms of efficiency and sales growth. To be more precise, with the strategic fit construct Toulan et al. (2006) illuminate the strategic importance of the GAM relationship from a dyadic perspective and determine the fit between the product / marketing strategy of both companies. Furthermore, the concept of structural fit compares the configuration of customer and vendor activities (e.g. level of centralisation) and evaluates the degree of senior executive involvement. The results of their empirical examination show that structural and strategic fit correlate with improved GAM performance. Supporting Birkinshaw et al's (2001) findings, the researchers further stress the fact that if the 'fit is not feasible, it is better to be the one more coordinated or more responsive than the one that is not' (Toulan et al. 2006:78).

Figure 4 illustrates a more comprehensive model presented by Shi et al. (2010), which establishes a correlation between internal and inter-organisational GAM capabilities, as well as environmental factors and GAM performance. Essentially, Shi et al. (2010) define and confirm the two main drivers of the implementation of GAM strategies: global, strategic priority and globalisation. While the former describes a set of internal beliefs that underline the willingness of the supplier to treat global accounts preferably, the latter, similar to the findings of Yip and Madsen (1996) as well as Zou and Cavusgil (2002), includes external forces that drive suppliers towards global marketing. Furthermore, the model includes four major elements as GAM strategies: Inter-country coordination (ICC), inter-organisational coordination (IOC), marketing activities standardisation and global integration. The first represents the level to which suppliers globally coordinate their marketing-mix and supply chain activities within the organisation and thereby represents the level of internal coordination. On the external side, the inter-organisational component forms the degree to which joint activities with the global customer are coordinated at various hierarchical levels. Finally, while marketing

standardisation demonstrates the magnitude to which suppliers standardise their marketing activities across national borders, global integration represents the degree to which suppliers follow global customers in various countries. At this stage, the researchers found that both inter-country / inter-organisational coordination as well as the standardisation of marketing activities and global integration, specifically the degree to which suppliers follow a customer into various countries to make competitive moves, have a positive effect on GAM performance. Moreover, based on the collected data, a positive moderation of global customers demanding GAM strategies was confirmed. Finally, the researchers concluded that GAM performance significantly influences relationship continuity.

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**Figure 4: GAM strategies: Drivers and outcomes (Shi et al. 2010:625)**

Further elaborating Shi et al's (2010) research, Gao and Shi (2011:61) develop an integrative GAM performance framework, focusing on the role of inter-organisational coordination and inter-country coordination. In doing so, they identify that IOC and ICC involve differentiated levels of intra-organisational support, inter-organisational fit, inter-organisational dependency and varying customer characteristics, leading to the conclusion that both mechanisms of global

account coordination ‘have different sets of antecedents and exert independent, different influences on supplier performance’. Interestingly, while Gao and Shi (2011) explicitly confirm that both concepts significantly affect market and relational performance outcomes of GAM, they denote IOC as a stronger predictor for relational continuity.

A supplementary study, that discusses environmental, inter-organisational and internal factors with significant impact on GAM performance, is provided by Swoboda et al. (2012). Based on resource dependence and transaction cost theory the researchers develop a conceptual consumer goods model with three core assumptions, as highlighted in Figure 5. Firstly, manufacturers (suppliers) respond to the internationalisation of retailers (customers) by centralising strategic and tactical GAM activities. Secondly, such centralised activities influence GAM performance in terms of GAM effectiveness and efficiency. Thirdly, the manufacturers’ dependence on their accounts moderates GAM relationships.

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**Figure 5: Swoboda et al’s (2012) conceptual consumer good GAM model**

A statistical analysis based on 172 responses from manufacturing companies indicates that analogous to previous studies (Montgomery and Yip 2000, Shi et al. 2010), retailers’ centralisation of purchasing activities, standardisation of international market offers and integration of processes drive manufacturers’

centralisation of strategic and tactical GAM activities. Furthermore, Swoboda et al. (2012) find that the centralisation of tactical GAM activities has a distinctly positive impact on GAM efficiency, whereas the centralisation of strategic GAM activities increases the performance of both performance dimensions. Lastly, the results show that although the dependency of suppliers on their key accounts does not enhance GAM centralisation, 'it strongly moderates the impact of the decision to centralise GAM activities on GAM performance' (Swoboda et al. 2012:748).

Finally, building on 15 interviews and 246 responses from Taiwanese electronics suppliers, Jean et al. (2015) develop and evaluate one of the most recent performance frameworks in current GAM literature. Referencing Shi et al. (2005), the researchers adopt a dynamic capability perspective to define the concept of IKAM capability as a "complex bundles of skills and accumulated knowledge that are exercised through organisational processes and enable suppliers to address international customers' rapidly changing needs" (Jean et al. 2015:544) and thus drive the overall market performance of supplying companies. Through empirical analysis, Jean et al. (2015) provide evidence for the fact that, in contrast to the supplier's dependence on the customer, the functions of market scanning and trust in international exchange relationships represent critical antecedents, determining international key account management capabilities. Against this background, the researchers further evaluate the moderating effects of national cultural distance between the business partners as well as the impact of supplier IT advancements on the proposed interrelations and conclude that both attributes "moderate the impact of market scanning on the development of key account management in international exchange relationships" (Jean et al. 2015:543).

To summarise, the presented analysis successfully underlines the continuous advance in the exploration of factors and dimensions that determine the performance of GAM programmes. Early research focussed mainly on the supplier's environment and consequently the demand for and use of GAM, in addition to the link between GAM implementation and performance (Montgomery et al. 1999, Montgomery and Yip 2000). Managers can now however compare their



GAM practices to a broad spectrum of dynamic inter-organisational and internal capabilities which demonstrably determine their performance.

### **2.2.5 Summary and Limitations**

In view of all that has been written, it can be concluded that the concept of global account management represents one kind of key account management, with a focus on serving centralised and globally coordinated, rather than solely locally operating customers. The challenge for suppliers, in comparison to the domestic approach, lies in the higher complexity of the supplier-customer relationships which require enhanced internal and inter-country coordination capabilities. Moreover, GAM reflects the spirit of today's fast moving global business environments and consequently, as the GAM literature analysed in 2.2.2 highlights, rationale for transitioning from KAM to GAM originate in the globalisation of customers, industries, market places and competitors as well as the suppliers' resulting focus on global strategies.

Though making progress towards to the successful implementation of GAM, supplying companies have to acknowledge and perform compulsory changes in several key dimensions. First of all, the structure of GCOs and their integration into the supplier's organisational setup has to be carefully considered. Even if academics agree that there is no "one fits all" solution available, it is clear that GCOs need to be shaped to fit global customers' requirements as they serve as a single point of contact. GAM also demands the introduction of global processes to identify, align and constantly adapt suppliers' global sales and marketing activities in order to provide superior services. Then, by implementing GAM, organisations need to strengthen and develop key people such as KAMgrs, GAMgrs and account management teams. Likewise, it is essential to recognise the role of top management as a critical enabler for the programme. In addition, suppliers are forced to re-evaluate their principles, values and philosophy as GAM encompasses global and local interests, focusses on world-wide results and thereby induces a culture oriented towards global customers. Finally, as the literature review revealed, GAM widens the scope of KAM activities by enhancing the company's capability to perform global strategies.

The nine models discussed in paragraph 2.2.4 exhibit the continuous advance in the exploration of factors and dimensions that determine the performance of GAM programmes. However, in this context a number of important limitations with regards to these frameworks need to be addressed: This includes the fact that both Montgomery et al. (1999) and Montgomery and Yip (2000) assess a relatively high level GAM perspective and as a consequence, mostly fail to provide a clear identification of the factors that actually influence GAM performance. Moreover, although Shi et al.'s (2004) framework links GAM outcomes to collaborative orientation, matching strategies, and the unique configuration of the GAM partners, the outcome is purely conceptual. Toulan et al. (2006) stress this point and provide empirical evidence for the interrelationship between fitting structures, strategies and performance. While their research accounts for the scope of GAM as optimally, a balanced partnership however, these four fit dimensions are not only limited in terms of quantity but also in depth. This leads to the conclusion that the concept of fit in GAM requires further investigation.

More recent literature on GAM performance (Shi et al. 2005, 2010, Gao and Shi 2011) tackles some of the aforementioned limitations and provides more detailed insights into internal and external determinates of GAM performance. However, as the publications mostly build on previous research and most likely use the same set of input data, one might argue that their results are more the recombination of existing knowledge than innovative concepts. Similarly, it needs to be outlined that, by exclusively drawing attention to the centralisation of GAM activities or antecedents of GAM capability as success factors within international exchange relationships, Swoboda et al. (2012) as well as Jean (2015) provide similar insights to previous work (e.g. Birkinshaw et al. 2001, Shi et al. 2005, Toulan et al. 2006) while discounting the role of other elements that might influence the global supplier-customer relationships.

Finally, it is acknowledged that current GAM performance models can offer some insights into the coherence between GAM and supplier performance. Therefore most of the key dimensions for GAM implementation outlined in 2.2.3 play a crucial role. However, considering the fact that academics conceptualise corporate

culture as a key dimension for GAM implementation and indicate its influence on GAM performance, it is a rather surprising result that none of the presented models and frameworks empirically investigate the proposed relationship. This results in a major limitation in current GAM research. Consequently, as GAM naturally encompasses a few (but not all) of the areas involving culture in its fundamental nature, the next sections will evaluate the concept of corporate culture and its influence on overall company performance and GAM.

## **2.3 Corporate Culture**

Over the last few decades, corporate culture and its underpinning values have gained significant popularity amongst organisational behaviour research. This has increasingly come to the attention of practitioners and academics in the field of organisational management (Hofstede 1980, Schein 1988, Robbins 1993). Furthermore, marketing scholars began to recognise the relevance of companies' corporate cultures with regard to superior value creation and increased organisational performance (Deshpandé et al. 1993, Denison and Mishra 1995, Cann 1998). The practical consequences are two-fold. There is a profound theoretical understanding of the specific organisational characteristics, dimensions and interrelations that make up the phenomenon. In addition there is a common consensus that corporate culture represents a critical element of a company's service delivery processes, as it simultaneously stimulates employees' behaviour as well as management practices and hence shapes expectations towards the nature of inter-organisational interaction (Denison 1990, Macaulay and Clark 1998). This position is underlined by Webster (1992), who emphasises the importance of establishing an appropriate culture for companies that is sustainably successful at providing good service and developing a truly service-oriented company. Jarratt and O'Neill (2002:35) further develop this idea and find that companies which depend on effective relationship management strategies 'are advised to review their organisational culture(s), leadership and management approach to ensure the presence of values that are reflective, and productive, of a desirable relationship management philosophy'. Therefore the concept of corporate culture becomes a

vital element of business-to-business relationships (Hewett et al. 2002). This means both GAM and GAM strategies, in a narrower sense (Yip and Madsen 1996).

Consequently, to further identify interdependencies between the two areas of interest, the following sections will summarise the most commonly used terminologies and definitions in this environment, discuss conceptualisation, evaluate related effectiveness dimensions and analyse previous studies that particularly focus on the role of corporate culture in different forms of inter-organisational relationships.

### **2.3.1 Definitions and Terminology**

Not least because a high number of environmental, geographical, historical, industrial, personal and behavioural factors shape the body of culture in the organisational context (Sadri and Lees 2001), current literature uses a varying terminology of the phenomenon, including enterprise, organisational or corporate culture (Jack and Anderson 1999, Guiso et al. 2015). However, with regards to the following literature review, only the term corporate culture (considering the fundamental principles of all of the aforementioned), will be used hereafter to further elaborate the concept, in the context of KAM and GAM. Additionally, if not stated otherwise, the term culture will refer to corporate culture throughout this work.

Early research describes the phenomenon of corporate culture simply as the way in which things are done in an organisation (Bower 1966, Quinn 1988). Later, Schneider and Rentsch (1988) label culture as the reason ‘why things happen the way they do’ and provide a clear differentiation to organisational climate, which basically accounts for ‘what happens around here’. However, continuous developments in in this specific field led to a broader understanding of culture, as for example, outlined in the work of French and Bell (1998:139), who define corporate culture as the ‘prevailing pattern of beliefs, sentiments, norms and practices’ and report its use as a behavioural guideline for the individual. This view is supported by Schein (1988:7), whose oft cited definition classifies corporate culture as ‘a pattern of basic assumptions invented, discovered or developed by a

given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to think and feel in relation to those problems’.

In accordance with Schein’s (1988) approach, Kotter and Heskett (1992:4) describe culture as ‘the behaviour patterns or style of an organisation that new employees are automatically encouraged to follow by their fellow employees’ and thereby illustrate a group dynamic effect. Similarly, White (1991) attributes an evolutionary element to the concept and acknowledges that culture grows with the organisation and therefore is built up over many years. Furthermore, while explicitly linking corporate culture to an organisation’s managerial functions, Denison’s (1990:2) definition of culture as ‘the underlying values, beliefs and principles that serve as a foundation for an organisation’s management system as well as the set of management practices and behaviours’, demonstrates the substantial role of culture in management structures and hence its influences on companies’ decision-making. Interestingly, in this context Van der Post et al. (1998:2) project the far-reaching diversity of individuals on the phenomenon and argue that culture ‘is to the organisation what personality is to the individual’. Finally, more contemporary literature views corporate culture as a ‘set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behaviour for various situations’ (Ravasi and Schultz 2006:437) and along with previous definitions, concludes that it represents ‘the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization’ (Hill and Jones 2011:254).

Collectively, the various definitions exemplify that corporate culture forms a business framework for shared values, beliefs and behavioural patterns, shapes a company’s core identity, characterises its individuality and thereby, determines its course of action.

### **2.3.2 Conceptualising Corporate Culture**

Generally, research on corporate culture does not specify a set of uniform dimensions and characteristics (Van der Post et al. 1998). However, Johnson (1988) suggests that control systems, organisational structures, power structures, rituals and routines, symbols and stories and myths form a cultural web and legitimise the paradigm of an organisation, thereby defining its mission, values and beliefs. By incorporating Johnson's (1988) findings, the scientific literature provides a considerable number of models, classifications and typologies of culture, especially in the field of organisational research (Armstrong 2006).

This includes the early work of Handy (1976), which conceptualises four types of cultures in relation to the internal structure and processes of an organisation. The first type, described as 'power culture' is often found in small or middle-sized family businesses with a strong hierarchy. This type is associated with a web structure, having one or more key figures at the centre of power (Burnes 2004). Consequently, success strongly depends on the decisions made from the top of the hierarchy. The second type, the so called 'role culture', is based on traditional organisational structures in which jobs are arranged by function and seniority. This type of structure often leads to effective work in a stable environment in which employees do the same tasks every day. It may however cause coherent inflexibility in a changing and developing environment. 'Task culture', the third form in Handy's (1976) categorisation, focuses on getting the job done rather than directing how it should be done. It encourages flexibility and moves attention to serving customers and clients rather than on defending the role of the individual. Thus, companies can quickly respond to environmental and competitive developments. The last classification, 'person culture', focuses on the individual and his or her needs. The organisation structure is as lean as possible and the individuals have scope for freedom of action and for making their own decisions. This form of culture can often be found in barristers' chambers, architects' partnerships and small consultancy firms.

Another, and one of the most influential research articles conceptualising corporate culture is the work of Schein (1984), who is often recognised as the founder of

corporate cultural theory as it is understood today (Kotter and Heskett 1992). Schein (1988) developed the framework illustrated in Figure 6 by splitting corporate culture into three different levels: artefacts, values and underlying assumptions. In this model, the level of artefacts forms the surface of a company's culture. It is visible but difficult to decipher and describes the easily observable attributes of a company, such as presentation, atmosphere or architecture. Based on the first level, Schein (1988) outlines that it is possible to see, hear, feel and smell things; yet, the interpretations made by an external observer are not sufficient to understand what they mean to insiders.

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**Figure 6: The three levels of corporate culture (adopted from Schein 1992:17)**

Therefore, the values of a company which form the second level must be understood and carefully analysed. Employees or informants are the best source to espouse values which constitute of the goals, ideals, norms, standards, principles and other untestable premises of a company. Finally, the third level of Schein's (1988) framework is formed by the underlying assumptions. These are settled assumptions shared by the members of the company, often determined by the founder or senior management and seldom questioned or examined. Additionally,

with regards to their cultural attributes, the author classifies two distinct types of companies: 'action' or 'multi' companies. While familiar and open knowledge creation processes prevail in 'action' companies, in 'multi' companies conservative behaviour and fixed hierarchical structures predominate. Further developing research on the subject, Hofstede et al. (1990) measured corporate culture differences within and amongst Danish and Dutch companies to conceptualise a comprehensive and multidimensional culture model. Within their work, they use data from 180 in-depth interviews and 1,295 survey responses to differentiate perceived common practices and isolate six independent culture dimensions. Therefore, Hofstede et al. (1990) highlight and discuss alterations amongst process- versus results-oriented, employee- versus job-oriented, parochial versus professional, open versus closed system, loose versus tight control as well as normative versus pragmatic cultures. As an overall result, the researchers note that the appropriateness of any of the evaluated cultures depends on the strategic orientation of the company and further acknowledge the limited universality of the suggested model. Nevertheless, their work provides a distinction widely recognised by academics that 'makes a fuzzy field at least somewhat accessible' (Hofstede et al. 1990:313).

Throughout the analysis of relative profitability, company size, growth rate and market share, Deshpande et al. (1993) cover the link between a company's cultural orientation and its business performance. Therefore, the authors take an information processing perspective to analyse prevailing interrelationships between culture and marketing strategies by using Quinn et al.'s (1988) model of organisational effectiveness as a basis. Here, the researchers conceptualise and discuss a framework including four distinct types of culture. The first type, 'market culture', emphasises the external market and thus competitiveness and goal achievement. The second type, 'hierarchical culture', describes a more formalised, structured and bureaucratic state in an organisation. Innovation, risk taking and adaptability are the attributes of the third type, the so called 'adhocracy culture'. Finally, clan culture, compounds the last the last culture types. Here, loyalty, tradition and emphasis on internal maintenance are the core elements. Based on



their framework, Deshpande et al. (1993) performed an empirical study including fifty Japanese firms to identify if the type of culture and the related level of customer orientation and innovativeness had a measurable impact on business performance. Their results reveal varying influences whereby 'firms with cultures that are relatively responsive (market) and flexible (adhocracy) outperform more consensual (clan) and internally orientated, bureaucratic (hierarchical) cultures' (Deshpande et al. 1993:31).

A spectrum of five levels of corporate culture has also been proposed by Carmazzi (2007). The lowest level, the 'blame culture' creates distrust and fear, allowing individuals to blame each other to avoid reprimand. According to the author, this form hinders the generation of new ideas because employees do not take risks due to the fear of being wrong. In a similar vein, the perception of 'multi-directional culture' describes minimised internal communication and interaction due to the loyalty of individuals being limited to their particular group. Such culture causes limited internal cooperation and organisational inefficiency. As further outlined, the 'live and let live culture' is based on complacency, but induces sufficient inter-organisational exchange to keep the business running. Consequently, a lack of creativity, vision and passion stimulate stagnation rather than innovation. In contrast, a 'brand congruent culture' promotes the belief in the company's products and services and strengthens the role of the individual as problem solver. Although management decisions might be questioned, it directs the focus on the common goal. Finally, as the highest form of Carmazzi's (2007) classification, the concept of 'leadership enriched culture' cultivates a high level corporation whereby aligned goals, close inter-personal relationships and leadership focus create a performance oriented climate.

As shown in this chapter, academics aim to capture the body of corporate culture by offering several scientific conceptualisations of the phenomenon. However, the broad variety of models and frameworks indicates that there is no universal approach to the concept. Moreover, the delineated literature can be used to create awareness of corporate cultural differences and characterise the cultural directions of companies.

### **2.3.3 Determinants of Effective Cultures**

Considering the concepts outlined above, it is less surprising that common literature suggests that cultural factors significantly contribute to and predict, organisational outcomes in general. Therefore, as a logical consequence, it is important to further review the most influential studies investigating relationships between key elements and variables that determine effective and performant cultures.

By raising the question of whether culture can be a source of sustained competitive advantage (as did Barney in (1986), one of the earliest researchers), this aims to bridge the gap between the culture of a company and its financial performance. The author notes that ‘a firm’s culture can hold promise for sustained superior financial performance for some firms’ (1986:664) and further outlines three conditions that have to be met to achieve superior financial results: First, culture must be valuable and therefore come with positive economic consequences. More concretely, it has to enable firms to perform in a way that leads to high sales and margins as well as low costs. Second, culture must be rare and have individual attributes or characteristics to enable a company to differentiate itself from its competitors. Finally, such a culture must be difficult to imitate. Drawing on a contingency approach, Arogyaswamy and Byles (1987a) share a comparable view and split culture into two dimensions: the internal and external fit. While the first relates performance to value and ideology cohesion as well as consistency, the second takes the degree of equality between corporate strategy and its culture as an indicator for performance.

One of the first empirical assessments of performance was performed by Denison (1984). It concerned the influence of decision-making practices and the organisation of work, both representing concept culture. Using a multi-year study, including survey responses from over 34 companies, the researcher identified a positive correlation between the two areas of interest and points out that ‘the management of an organisation’s culture (whether implicit or explicit) should be one of the fundamental elements of a corporation’s strategy for staying in business’ (Denison 1984:17).

Going far beyond previous empirical studies, the research performed by Kotter and Heskett (1992) might be considered as the most exemplary study in the area of culture and performance. Using linear regression as a tool to approach the idea of comparing companies with healthy and unhealthy cultures, the researchers achieved a far-ranging and revolutionary effect. According to Cui and Hu (2012), Kotter and Heskett's (1992) findings can be grouped in two distinct categories. The first is based on a contingency approach and states that better performing organisations have strong cultures, but only if they match the company's surrounding market environment. Additionally, it is a company's cultural ability to readapt that leads to sustainable performance. The findings included in the second group describe a more universal perspective. This means that long-term performance can be achieved when corporate culture is directed and orientated towards customers, employees and stakeholders.

Considering various cultural elements such as organisational structure and purpose, values, task organisation, climate and employee attitudes towards their work, Macoulides and Heck (1993) evaluate the influence of culture and several other performance indicators. The researchers establish direct and indirect positive links between the two dimensions of interest and outline that 'effective organizations share a variety of attributes involving their cultures' (1993:222). In the same way, in their work on culture and effectiveness, Denison and Mishra (1995) qualitatively develop and empirically test a model of four cultural traits (adaptability, involvement, mission and consistency). In conclusion, the researchers report several significant results: First, they find that adaptability and involvement are indicators of flexibility and responsiveness and strong determinants of growth. Second, consistency and mission represent indicators of integration, direction and vision and have a stronger impact on profitability. Overall their results suggest that culture, as hypothesised, impacts sales growth, profits, quality and employee satisfaction and therefore the firm's overall performance.

To determine the effect of 15 distinct dimensions of corporate culture including amongst others, conflict resolution, culture management, customer orientation, goal clarity, performance and reward orientation, van der Post et al. (1998) used the

datasets from 3,676 questionnaires to examine the effect of corporate culture on the financial performance of 49 South African organisations. The researchers found that organisations which are financially successful differ from those who are not highly aligned in all 15 dimensions. Furthermore, these companies show a more homogenous picture with regards to the cultural perception of the employees, which does not significantly deviate on organisational, functional or geographical levels. Finally, van der Post et al. (1998) conclude that financially successful companies focus on:

- Strategic visions that embrace values accepted by all company members.
- Continuous evaluation and alignment of culture, core values and business strategy.
- Recruitment and training processes that convey the company's core values.

Introducing a multilayer model, Homburg and Pflesser (2000) build on literature in the fields of organisational and marketing theory to define a market-orientated organisational culture. This includes a correlation chain from shared basic values supporting market-orientation to norms for these, as well as artefacts indicating high market-orientation and market-orientated behaviours. Statistical evidence supports proposed interrelationships and further underlines the positive influence of market-orientated culture on the market and thus on financial performance.

Likewise, Brady and Cronin (2001) provide a good synopsis, highlighting the importance of a customer-orientated, flexible and learning culture. They state that 'this alone is envisioned to lead to more favourable customer-organisation outcomes simply because the organisation is able to better create and maintain superior customer value strategies' (Brady and Cronin 2001:243). By anticipating the needs of customers and responding with related goods and services, firms are able to maintain and increase their market share and further outperform competitors. Accordingly, Gebauer et al.'s (2010) model shows similar results in the particular context of manufacturing companies as the researchers empirically

validate the correlation between the level of service orientation reflected in the manufacturers' corporate cultures and their overall performance.

In summary, the presented literature impressively outlines the high number of determinants for an effective corporate culture and simultaneously provides strong evidence for the positive link between culture, the degree of customer-orientation and the performance of an organisation. Nevertheless, to investigate the lack of knowledge regarding the influence of culture on GAM performance indicated in 2.2.5, the next section discusses culture in view of inter-organisational relationships similar to interactions with global customers.

### **2.3.4 The Role of Culture in Inter-Organisational Relationships**

With regard to the previously outlined interrelationship between the culture and performance of a company, academics have further investigated the significant role of corporate culture in various inter-organisational forms of exchange. Particular focus was laid on (1) supplier-buyer / inter-organisational relationships, (2) alliances and joint ventures and (3) mergers and acquisitions. As a result, academics and decision makers are confronted with fundamentally different perceptions because of this shift in focus from an internal perspective within a single company towards the examination of systems including two (or more) exchange partners, and consequently different corporate cultures. Summarising the most common models that evaluate the role of culture in inter-organisational relationships provides a synopsis of these factors and indicates further implications for GAM research.

#### **(1) Culture in supplier-buyer and inter-organisational relationships**

One of the few studies examining the influence of corporate culture in industrial buyer-seller relationships was performed by Hewett et al. (2002). Using survey responses from 81 buyers and 166 sellers of industrial goods and services companies as a basis for their empirical evaluation, the researchers cluster the buyers' responses based on Deshpandé et al's (1993) cultural classification (clan, adhocracy, hierarchy and market culture) and report two interesting findings: First, the buyers' repurchase intention positively correlates with the buyers' perception of

the relationship quality in terms of trust and commitment. Second, the aforementioned interrelation is stronger for internally focused cultures (clans or hierarchies) than for externally focused ones (adhocracies or markets). In their summary, Hewett et al. (2002:236) conclude that buyers' corporate cultures are a significant moderator of supplier-buyer relationships and 'while manipulating buyer corporate culture is not possible, an understanding of the culture of buyer firms may yet enable the selling firm to identify buyers with greater buying potential'.

To a certain degree, Hewett et al.'s (2002) work is complemented by Jarrett and O'Neill's (2002) empirical study of cultural effects on business-to-business relationship management practices and performance. While focussing on marketing and managing directors, the authors identify several dimensions of corporate culture that reinforce successful relationship management practices and further argue that companies relying on the relationship with their customers must '...assess the compatibility of that culture to that necessary to support effective and efficient relationship management practice' (Jarratt and O'Neill 2002:34). As a result, the authors establish a positive correlation between a company's culture and its level of relationship equality, satisfaction and performance.

In an attempt to further develop RM theory by evaluating the significance of corporate culture, Plewa (2009) discusses the effect of organisational culture difference (OCD) on business relationships. More specifically, he analyses university - industry dyads to gain a profound understanding of how cultural differences in terms of time orientation, market orientation and corporate flexibility, stimulate inter-organisational interaction. Besides the fact that trust, commitment and integration predict relationship satisfaction and the intention to renew them, the study findings clearly indicate that the tested OCD dimensions negatively affected the commitment and intention to renew the relationship. Therefore, Plewa (2009) provides valuable insights into success factors that shape relationships between fundamentally different organisations, partially confirming previous studies and further stressing the fact that relationship marketing theory has mostly ignored the influential nature of culture and organisational culture

differences, with regard to the establishment of sustainable business relationships and relationship performance.

## **(2) Culture in strategic alliances and joint ventures**

Having a clearer understanding of culture, its underlying dimensions and structures and its impact on value creation also represents a critical element within two more sophisticated forms of inter-organisational relationships: strategic alliances and joint ventures. With regard to the former, Sarkar et al. (2001) argue that both complementary resource and capability profiles and compatible cultural and operational norms form an essential prerequisite for successful partnering. In this way, they conceptualise the idea of cultural compatibility as the ‘congruence in organisational philosophies, goals, and values’ (Sarkar et al. 2001:362) and assume positive interrelations with relationship capital and performance outcomes. Using the statistical evaluation of data from alliances in the global construction contracting industry, Sarkar et al. (2001:369) report, amongst other results, that ‘...alliance partners with similar cultures are likely to enjoy a better quality of relationship...’, resulting in direct and indirect influences on the project and strategic performance of the alliance.

With a similar focus, Damanpour et al. (2012) investigate the role of culture in international joint ventures (IJV). The authors develop several models, including four major constructs: First, organisational culture difference (OCD) represents differences in the values, practices and behaviours of the partnering companies. Second, the integration acculturation strategy (IAS) refers to bicultural adaptation. Third, interaction processes reflect the way that the partners communicate, cooperate and resolve conflicts. Finally, partners’ satisfaction indicates the performance of the IJV. In an empirical analysis based on survey data from 202 executives, Damanpour et al. (2012:453) find ‘that the interaction processes fully mediate the negative effect of OCD but partially mediate the positive effect of IAS on partners’ satisfaction with the joint venture performance’. Hence, by indicating barriers of cultural differences that need to be overcome by joint venture partners, the researchers underpin the role of corporate culture as an important determinant of IJV success.

### **(3) Culture in mergers and acquisitions**

With a scope for achieving competitive advantages through the synergistic integration of organisations to foster growth and expansion plans, merger and acquisition strategies have become increasingly popular amongst decision makers and, inevitably, academics (Cartwright and Cooper 1993, Seth et al. 2000, Porter 2008). This includes the early work by Nahavandi and Malekzadeh (1988), who especially draw attention to cultural aspects and propose that the degree of congruence regarding the favoured mode of acculturation between the merging firms facilitates or hinders the implementation of the merger. Similarly, but taking a broader perspective, Cartwright and Cooper (1993) note that inharmonious cultural issues can often be a reason for poor merger performance and find that frameworks 'to assess the likely culture fit between two organisations are vague and unelaborated' (1993:59). Furthermore, they point out that while culture fit and culture compatibility are obviously linked to the success of mergers, the importance of such frameworks is often neglected. This can be reduced to the fact that in practice, financial and strategic criteria are likely to outweigh cultural fit aspects since they are of an intuitive rather than systematic nature. Thus, both concepts are 'well used but ill-defined expressions' (Cartwright and Cooper 1993:60).

Nonetheless, one of the first representative studies focussing on the phenomenon of cultural fit in M&A research was performed by Chatterjee et al. (1992). Using the sample data of 30 companies that pursued M&A activities, the scholars observe the influence of fit between corporate cultures and predict that the perceived cultural differences are moderated by the buyer's tolerance for multiculturalism. To be more precise, Chatterjee et al. (1992) examine seven dimensions of cultural differences between the top management teams of both the buying and acquired company, and use stock price development after the merger as an indicator for its success. These dimensions include differences in innovation and action orientation, risk-taking, lateral integration, top management contact, autonomy and decision-making, performance-orientation, and, lastly, reward-orientation. As hypothesised, the results show a significant statistical correlation between the outlined cultural differences, the moderating effect of top management tolerance for



multiculturalism and the capital market's earnings expectations with regards to the related merger. In view of the overall study findings, the researchers conclude that for a successful merger, the implication is clear: the management of a buying firm should pay at least as much attention to issues of cultural fit during the premerger search process as they do to issues of strategic fit' (Chatterjee et al. 1992:331). Weber et al. (1996) however hold the view that the work lacks detailed explanation as to what are the actual effects of the identified cultural differences on the attitudes and behaviour of top executives.

Furthermore, Weber et al. (1996) address the issue that the previous study does not consider the potential influence of the cultural fit sphere on the effectiveness of the integration process and the financial performance. Consequently, also using top management teams as the unit of investigation, the researchers hypothesise whether amongst other factors, a low level of cultural fit in M&A projects results in lower outcomes of the aforementioned. Through the evaluation of responses from more than 70 companies and using Chatterjee et al.'s (1992) cultural difference measurement scale, Weber et al.'s (1996) findings indicate evidence for the existence of interrelationships between culture, autonomy removal, top management commitment, the effectiveness of the integration process and the financial performance of a merger. Subsequent literature mainly builds on the outlined study findings, suggesting that merging companies should aim for cultural fit at all stages of M&As, to avoid conflicts (Lodorfos and Boateng 2006), and further stresses the fact that incompatible cultures are one of the main reasons for failed M&A (Mendenhall 2005).

To conclude, the presented literature underlines that companies are currently more than ever challenged to raise awareness of the influence of corporate cultural fit in the context of inter-organisational relationships. With current research mainly focussing on cultural compatibility, OCD and the critical role of cultural fit in M&A activities, it can be assumed that a solid foundation for the extrapolation of the subject has been laid.

### **2.3.5 Summary and Limitations**

Taken together, the findings on corporate culture demonstrate the complexity of the concept. The literature presented in Chapter 2.3.2 especially underpins scholars' continuous aims to identify and classify different types, forms and levels of corporate cultures to conceptualise the idea. It is arguable however that if culture is considered to be the personality of a company, it is of a rather an individual nature and might not necessarily fit into the outlined theoretical perceptions. Consequently, the proposed conceptualisations need to be understood as frameworks that provide guidance for the direction of the cultural orientation of a company and should not be expected to always adequately reflect concrete patterns within them.

Nevertheless, by explicitly linking corporate culture to an organisation's managerial functions, Denison (1990) highlights the influence culture has on management practices and behaviours, including supplier selection. Thus, following Davies and Ryals's (2013) recommendation that account managers generally have to be able to understand customers' corporate cultures, the outlined frameworks might help GCOs and their members to decode and adapt to customer organisations and their culture profiles as well to improve competitiveness in the supplier sourcing process.

Against this background, the studies discussed in 2.3.3 support the understanding of culture as an important and influential element that contributes to a firm's overall capabilities and determines its performance. As yet, the literature does not claim to provide fully comprehensive performance models or frameworks (Marcoulides and Heck 1993, van der Post et al. 1998). On the contrary, although it is recognised that certain forms of culture can support flexibility, market and customer orientation, and thereby facilitate work processes (Deshpande et al. 1993), the type of culture requested and preferred by global customers has yet to be evaluated.

Additionally, the role of culture in several forms of inter-organisational relationships has been investigated in section 2.3.4. Therefore, an examination of

the rather limited amount of literature on culture and supplier-buyer relationships revealed that while the buyer's corporate culture moderates the relationship dyad (Hewett et al. 2002), the supplier's culture influences the company's customer relationship management practices (Jarratt and O'Neill 2002). In addition, Plewa (2009) found that OCD generally has a negative impact on inter-organisational collaboration, with joint venture research reporting fairly similar results (Damanpour et al. 2012), and that scholars focussing on strategic alliances identified cultural compatibility as a strong element of relationship quality between partnering companies (Sarkar et al. 2001). In this context, studies in the area of mergers and acquisitions go one step further and not only label incompatible cultures as potential reasons for failed M&A projects (Mendenhall 2005), but further recognise the concept of cultural fit as an essential precondition (Chatterjee et al. 1992, Weber et al. 1996, Lodorfos and Boateng 2006).

In view of the literature illuminating the role of culture with regard to customer and market orientation, company performance and its influence on inter-organisational relationships, it is a key limitation that the respective interrelations have mostly been ignored by RM theory and consequently have not been further investigated from a GAM perspective. An interdisciplinary transfer of the presented research results suggests itself due to Lambe and Spekman's (1997) classification of KAM relationships along a continuum from repeated transactions, to fully integrated buyer-seller alliances, as outlined in 2.1.3, and the fact that the scope of M&A activities is naturally similar to global business partnerships regarding the achievement of competitive advantages, growth, expansion strategies and financial success. Acknowledging this circumstance, O'Reilly et al.'s (1991:510) assumption that organisations' cultures generally 'tend to be similar when the organisations are in relatively homogeneous industries...' implies that the concept of cultural fit should be examined in a global business framework aimed at validating the influence of culture and cultural compatibility on GAM relationships and GAM performance.

## **2.4 Contribution to Current Knowledge**

In light of the review of significant publications in KAM, GAM and corporate culture research, this section indicates where the presented study can be located as a novel and significant contribution to knowledge.

### **2.4.1 Summary of the Research Gaps**

Despite specific research finding discussed previously, several major gaps remain regarding current account management knowledge. These are summarised in the following and serve as justification for this PhD research project:

- First, GAM is a comparatively young research stream, having only gained academic interest during the late 1990s, and therefore limited scientific literature on the subject exists. Consequently, further research is required to gain a comprehensive academic orientation and broaden our understanding of the phenomenon.
- Second, as recent GAM models are either conceptual, assess high level GAM perspectives, focus on few factors or simply recombine existing knowledge, further empirical studies with larger sample sizes and innovative research approaches are required to provide concrete insights into the underlying mechanisms of GAM relationships and produce generalisable results.
- Third, the role and importance of corporate culture regarding global customer relationships have been acknowledged but not investigated, resulting in a major gap in current GAM literature. Existing studies assume that corporate culture influences management and consequently buying decisions. A further investigation of this gap may provide GCOs with the capability to align their sales strategy and improve overall sales performance as well as extending the understanding of corporate culture and its role in international supplier-buyer relationships.
- Fourth, as outlined in 2.3.5, despite the fact that the transfer of the culture fit construct into a GAM framework seems obvious, academics have yet to perform this interdisciplinary aggregation. Even if first attempts to describe the cultural

- fit in a GAM context have been made (Yip and Bink 2007, Jones et al. 2009), the literature provides neither a systematic approach nor adequate statistical evidence for the phenomenon. Hence, there are no answers to the questions of how important is the influence of global account corporate culture on international business-to-business relationships, what are the main cultural factors that influence a customer supplier relationship or how suppliers can increase competitiveness by adopting certain aspects of their customers' culture.
- Finally, following Yip and Bink's (2007) recommendation to evaluate the degree of fit between structural, strategic and cultural dimensions in GAM relationships, the aforementioned research gaps will be addressed herein throughout the development of a novel, unique and comprehensive performance model that encompasses familiar as well as under researched GAM dimensions. Hence, the aim of this work is to provide a valuable contribution to the body of knowledge in the area of global account management and further supplement research on corporate culture.

### **3 Underlying Methodological Assumptions**

Since Hathaway (1995) states that researchers generally choose a method that provides the required data but fails to explain the underlying assumptions, this chapter provides appropriations between research paradigms, types of data and collection methods, while outlining the research design. The research design describes the structure of the research project and contains a clear purpose originating from the research aim and its objectives. Furthermore, it builds a framework for data sources and data collection, demonstrates limitations and illuminates potential methodological issues of the proposed study.

#### **3.1 Theoretical Background**

In Sapsford's definition (2006:175), methodology can be understood as a 'philosophical stance of worldview that underlies and informs a style of research.' Hence, it forms the body of knowledge that enables researchers to explain and analyse research methods while indicating boundaries and resources, identifying assumptions and consequences, and exposing potential progression in their specific field of research (Miller and Salkind 2002). Furthermore, it reinforces the types of questions focused on and the essence of the generated argumentation (Clark et al. 1984).

To accomplish a solid and valid research design, a variety of the available levels and approaches must be reliably applied during the research process. The following sections are structured according to the research onion developed by Saunders et al. (2009), shown in Figure 7. The authors are widely accepted in academic literature, and the 'onion concept' is used as a research framework in numerous business related studies (Brenton 2005, Elvitigalage et al. 2007, Venable 2011). Consequently, the philosophy underlying the development of the research design serves as a starting point for a discussion of knowledge generation. The research approach will then be presented. Lastly, an indication of the research methods and a demonstration of the applied research design will close the chapter.

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Figure 7: The research onion (Saunders et al. 2009:108)

### **3.2 Research Philosophy**

Research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used (Lee 1991). Williams and May (1996:9) highlight that ‘whereas philosophy is concerned to know what kind of things exist in the world and what is our warrant to know them, social research is concerned with their knowable properties’, thereby underlining the affiliation between philosophy and scientific research. Furthermore, Abbott (1998) points out that for theoretical models, whatever their purpose; there must be an appropriate relationship between the statement made, the methods used and the philosophical perspective deployed to underpin the methods.

Taking a closer look at philosophical discussions, it turns out that there are several different perspectives on how to understand the world as it is. Therefore, business and management research requires an in-depth explanation of which philosophical commitments the investigation brings into focus to enable adequate selection and justification of the appropriate research instruments (Johnson and Clark 2006).

Nevertheless, as with any of the theoretical foundations, there are issues with ontology and epistemology.

Ontology attempts to describe the nature of reality or, put more simply, to answer the question ‘what kinds of things are there in the world?’ (Benton and Craib 2001:4). In this respect, Morgan and Smircich (1980) argue that the perception of the world varies, depending on the researcher’s degree of subjectivity involved in the constitution of reality. To be more precise, the scholars describe a continuum of philosophical extremes, where objective positions acknowledge that reality exists independently of the human mind and subjective positions consider reality as a product of the human imagination. Moreover, ontological discussions focus on the question of whether social constructs can or should be considered as networks built from the awareness and action of members of the social world (Bryman and Bell 2007).

Epistemology concerns what can be interpreted as ‘what is known to be true’ or ‘what the acceptable knowledge in a specific academic area is.’ (Saunders et al. 2009:119). One of the key questions within epistemology is whether the approach to studying the social world can be the same as that applied in scientific disciplines (Benton and Craib 2001). Epistemology forms the philosophical foundation, the credibility (what is known to be true) which constitutes scientific understanding and the relating framework for a process that will be obtained by strict methodology. In summary, ontology can be understood as the ‘existence of objects’, epistemology as ‘knowing how to understand objects’ and methodology as ‘studying objects’.

With respect to their epistemological and ontological positions, positivism, interpretivism and realism have been gaining popularity in the field of business and management research over recent years (Johnson and Duberley 2000, Fleetwood and Ackroyd 2004, Hatch and Cunliffe 2006, Saunders et al. 2009). Consequently, building on previous work from Carson et al. (2001), Saunders et al. (2009) and Mack (2010), a comparison of the three research paradigms outlined in Table 6



accompanies more detailed discussion to evaluate their relevance to the presented thesis.

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**Table 6: Comparison of popular business research paradigms (adopted from Carson et al. 2001, Saunders et al. 2009, Mack 2010)**

From a positivist's ontological perspective, an argument is built on the opinion that reality is stable and can be observed from an objective point of view (Kleinberg-Levin 1988). It is advocated that no interference with the phenomenon in the focus

of the study is required to capture its essence. With regard to business and management research, positivists often adopt the role of independent, external observers, seeking rational and logical ways to investigate the phenomenon of interest and thereby transfer natural science traditions in the context of the social world (Carson et al. 2001, Saunders et al. 2009). The main methods within positivistic research include large-scale observations, experiments and surveys. Therefore, multidimensional, empirical data analysis methods are often used in validating hypotheses aimed at isolating the phenomena to make observations repeatable and generalise research outcomes (Carson et al. 2001). For a positivistic approach, theory usually has to be formulated first and then tested through empirical observation. If the theory is falsified, it has to be rejected and substituted by a revised version.

Contrary to the aforementioned, the ontological assumptions within the interpretivism research paradigm encompass the belief that reality is socially constructed rather than objectively determined (Carson et al. 2001). Furthermore, it is acknowledged that there are multiple and relative perspectives, as reality might change (Hudson and Ozanne 1988). Thus, the interpretivism paradigm is often labelled as ‘anti-positivism’ as it forms the opposing ontological pole to positivism (Hayes 2000). Interpretivists argue that complex phenomena ‘can never be objectively observed from the outside rather it must be observed from inside through the direct experience of the people’ (Mack 2010:3). From an epistemological perspective, knowledge creation is often performed within particular situations in social contexts that require the interpretation of subjective meanings and motivating actions of the actors involved (Carson et al. 2001, Saunders 2009). Thus, interpretivism requires flexible forms of knowledge creation and rejects reducing the world’s complexity into structural frameworks and ‘law-like generalisations’ (Saunders 2009:116). Therefore, in-depth qualitative research techniques are the preferred choice of researchers following this research philosophy.

The third philosophical paradigm to be discussed is realism. Three key assumptions of realism are ‘that what senses show us as reality is the truth’, ‘that objects have an

existence independent of the human mind' and that 'the world is relatively unchanging' (Saunders et al. 2009:114-115). The statements indicate that the realism paradigm views reality as stable, being independent of the mind, and hence overtakes an epistemological position similar to positivism. As Bryman and Bell (2007) summarise, realism shares two main features with positivism: First, realists suggest that natural and social sciences should apply the same approach to data collection and explanation, and second, that there is an external reality to which scientists direct their attention. Thus, it can be derived that, by using appropriate research methods, realists are able to gain a comprehensive view of the investigated phenomena. Realism however is criticised because it 'fails to recognise that there are enduring structures and generative mechanisms underlying and producing observable phenomena and events' and is therefore often labelled as 'superficial' (Bhaskar 2011:2).

By combining a general philosophy of science (transcendental realism) with the philosophy of social science (critical naturalism) to describe the link between the natural and social worlds, Bhaskar (1975) introduces critical realism as a subsequent research philosophy and thereby attempts to overcome the critique of realism. At its core, the critical realism paradigm advocates the benefits of natural science but acknowledges that reality is not fully understood if only actual events and empirical data are taken into consideration (Mingers 2004). Moreover, the ontological assumptions reflect the belief that reality is to some degree socially constructed and that researchers perceive the world based on their social conditioning (Easton 2010). Critical realists therefore suggest that reality cannot be understood independently of the social actors involved in the context and thereby in the knowledge generation process. The methodologies applied by critical realists depend on the purpose of the research and include qualitative and quantitative methods as well as the falsification of hypotheses (Guba and Lincoln 1994). In general, critical realism spans the bridge from natural to social sciences (Bhaskar 1975), places causal forces in the focus of the research (Sayer 1992) and therefore 'is often seen as a middle way between empiricism and positivism on the one hand

and anti-naturalism or interpretivism on the other, thus, reinventing a new and more sophisticated version of realist ontology' (Zachariadis et al. 2010:6).

With the research objectives in mind, the review of key philosophies in the area of business and management research implies that the principal beliefs of critical realism form the most appropriate basis for the presented research. Hence, it follows Saunders et al's (2009:115) suggestion that critical realism 'is much more in line with the purpose of business and management research which is too often to understand the reason for phenomena as a precursor to recommending change'. Therefore, the research aim and objectives are illuminated based on the following assumptions:

- (1) From an ontological perspective, the researcher's interpretation of reality is objective and independent of the human's mind extent. It is recognised however that business and management research incorporates underlying structures of the social world and can only be fully understood if social actors, mechanisms and conditions are considered.
- (2) With regard to the epistemology employed, the researcher acknowledges that GAM and corporate culture are observable phenomena that provide credible data which can be evaluated through the theoretical and practical application of social and natural science.
- (3) In terms of applied methodology and subject specific data collection, the presented research is built on qualitative interviews in a multi-national organisation as well as a large-scale, empirical study. The researcher therefore is involved in both functions: as part of the knowledge creation process and as an external observer.

### **3.3 Research Approach**

Following a consideration of the 'research onion', the next step in framing the research design for a study is to define whether an inductive or deductive approach should be pursued. Figure 8 provides a comparative view of both procedures and illustrates that while deductive approaches follow the need to test and verify a

certain theory; inductive attempts usually generate a new one. Through a discussion of both, the most suitable research approach for this particular research is identified.

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**Figure 8: Deductive vs. inductive research (adopted from Trochim 2001)**

The deductive approach often comes with a top down design that involves the development of a theory and hypothesis as well as the testing of these in a specific research context (Gill et al. 2010). Traditionally, deductive approaches are highly structured and can therefore be described as more theoretical. That is, deductive argumentation assumes that general laws, rules and accepted principles expound causal relations between variables and is therefore linked with the positivism paradigm (Crowther and Lancaster 2009). In this context, Neuman (1997:46) states that the deductive researcher generally starts ‘with an abstract, logical relationship among concepts then move(s) towards concrete empirical evidence’. Since the aim of the deductive approach is to move from theory to data and to generalise conclusions, an important criterion is to cover a sufficient sample size. Here quantitative research methods play an important role.

On the other hand, inductive research aims to gain a fundamental understanding of the research context and the individuals involved throughout the qualitative data

collection. This approach generally enables researchers to provide subjective reasoning with the help of various real life examples (Ridenour et al. 2008). Neuman (1997:334) describes the process of inductive reasoning with the following phases: ‘...a qualitative researcher begins with a research question and little else’ but ‘begin(s) with detailed observations of the world and move(s) towards more abstract generalisations and ideas’. The aim of inductive research is to identify patterns which lead to the creation of a tentative hypothesis and the generation of a principal theory according to the research problem (adopted from Trochim 2001). Thus, unlike deduction, it allows more flexible, qualitative methodologies since there is no pre-determined theory required for data collection (Easterby-Smith et al. 2012). There is however a significant debate amongst scholars as to whether the use of predefined theory in inductive research is suitable in view of common research ethics (Haider and Birley 1999).

Recognising the nature of inductive research, it needs to be noted that the broad range of available KAM and GAM literature discussed in Chapter 2 provides a strong theoretical understanding of the phenomenon but fails to provide a detailed evaluation of the obvious link to corporate culture. In addition, as previously argued, GAM cannot be reduced to pure theoretical constructs; moreover, social actors, mechanisms and practises have to be taken into consideration when evaluating the phenomenon. Thus, given the criteria and limitations of each of the evaluated research approaches and considering the epistemological flexibility of critical realism, the dilemma arises whether to perform inductive or deductive research. Here, in an attempt to provide some guidance, Haider and Birley (1999) critically analyse the use of existing literature in inductive research and conclude that the question is not if, but how, existing theory is used in an inductive context. Their findings are supported by Saunders et al. (2009) who go one step further to propose using a combination of both approaches to achieve logical and correct results within business and management research.

Consequently, from a critical realist’s point of view, it is herein argued that a combined inductive-deductive approach, which provides a flexible research structure as well as credible and generally valid data, is most suitable for this work.

It is however necessary to apply the appropriate aspects of each method to the correct parts of the research project to accomplish a solid research design. Therefore, qualitative research and data collection methods find use during the inductive investigation of the outlined limitations regarding GAM and corporate culture and the deductive validation of the aforementioned is achieved through quantitative research at a later stage of the research project.

### **3.4 Research Methods and Design**

As indicated in previous sections, this thesis contains qualitative (build theory) as well as quantitative (confirm theory) research. Therefore, it is to be categorised as mixed method research which, especially with regards to business and management studies, is gaining growing acceptance amongst scholars (Bryman and Bell 2007, Greener 2008, Saunders et al. 2009). Utilising both techniques within the same framework combines the advantages of both methodologies, ‘has great potential to promote a shared responsibility in the quest for attaining accountability for educational quality’ (Johnson and Onwuegbuzie 2004:24) and adds additional credibility to this thesis.

Furthermore, the research methods applied herein follow a consecutive structure which is commonly reported throughout distinct research phases (Creswell 2009). Therefore, the resulting multi-phase research design is based on the integrated and combined research approach discussed by Haider and Birley (1999) and follows a sequential order which, according to Saunders et. al (2009), is categorised as complementary.

Moreover, the underlying research philosophy provides support for the chosen design since critical realism ‘wants to get beneath the surface to understand and explain why things are as they are, to hypothesize the structures and mechanisms that shape observable events’ (Mingers 2004:100) and thereby justifies the use of mixed research methods sympathetically applied within a theoretically coherent research design (Zachariadis et al. 2010). Figure 9 illustrates the three phases of the research and will be followed by a more detailed description:

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**Figure 9: The three-phase research design based on Haider and Birley (1999)**

*Phase 1* describes the extensive literature review on KAM, GAM and corporate culture presented in Chapter 2. The resulting research aim and the corresponding research objectives tackle the gaps in the literature with regard to the two research streams summarised in 2.4.1.

As part of a case study within a single multi-national automotive supplier, *Phase 2* includes the qualitative data collection and analysis of 21 in-depth interviews with 21 KAM and GAM experts. The principle of data saturation therefore takes on a



double function: First to refine the research direction of *Phase 1* throughout adaptive iterations and second to develop a comprehensive conceptual GAM performance model.

*Phase 3* serves as a quantitative validation phase. Based on 199 data sets from an international GAM survey and the application of several empirical testing procedures, the aim here is to generalise the observations of the previous stages and to validate the appropriateness of the proposed model. Depending on the results, a holistic GAM performance model that contributes to current theory and provides implications for managers will be developed.

Complementarily, as this thesis develops, the outlined research design will be contextualised throughout the following chapters, bridging the divide between methodology and applied research. By this means, in order to avoid repetition and more importantly to evaluate the chosen methodologies in the overall scope of the research project, an in-depth justification of the performed single case study is provided throughout Chapter 4 followed by a detailed explanation of the performed large-scale online survey in Chapter 5.

## **4 Qualitative Research and Data Collection Methodology**

As part of research *Phase 2*, this chapter covers and justifies the selected qualitative research and data collection methodology, targeting the completion of Research Objective (2).

### **4.1 Theoretical Background**

Qualitative research methods have gained wide acceptance throughout business and marketing research and can now be found in every related discipline (Creswell 2009, Saunders, Lewis and Thornhill 2009, Rowlands 2005). This is based on the fact that qualitative research especially helps in understanding the social and cultural contexts created and influenced by human beings.

Generally speaking, qualitative research aims to investigate and collect data in the field where participants experience the phenomenon that is the focus of the scholar (Crowther and Lancaster 2009, Easterby-Smith et al. 2012). While performing

qualitative research, the researcher does not take a passive or observing role but plays a key role in the data gathering process since he or she predefines the course of action. This flexibility is seen as a major benefit since it allows the researcher to understand the situation within which decisions and actions take place; thus, a fusion of theoretical knowledge and practical experience can be achieved. (Myers 2013). This means that the focus of the investigation is the quality not the quantity of the gathered information. Van Maanen (1979:520) underlines this aspect by characterising qualitative inquiries as methods ‘which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world’.

Another reason for relying on qualitative research is that current literature yields little to no information about the phenomenon of interest, and therefore does not adequately address the research subject (Creswell 2009). Literature is especially sparse for research on combined GAM and corporate culture. Hence, qualitative research was chosen to overcome this limitation by exploring the phenomenon with the point of view of subject experts and the context they operate in.

However, in addition to the advantages of qualitative methods, a general weakness of the methodology is that interpretations of the data might be subject to debate and not exactly reproducible (Greener 2008). To reduce these risks, the following paragraphs transparently illustrate how conclusions and findings were achieved through an interview-based, single case study.

## **4.2 The Case Study Research Approach**

The literature provides a number of arguments for using case studies. Case studies can be defined as ‘systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest’ (Bromley 1991). This statement implies that the intention of case study research is ‘not to make statements about the cases to a larger population but to explore in depth a particular phenomenon in a contemporary context’ (Farquhar 2012:9). Likewise, as a prominent advocate of case studies, Yin (2009:13) defines the case study approach as an empirical enquiry that ‘investigates a contemporary phenomenon within its

real-life context, when the boundaries between phenomenon and context are not clearly evident'. While further supporting the benefits of this approach, Yin (2009) emphasises that the phenomenon studied cannot clearly be isolated in the research context. This constitutes significant differentiation from experimental studies that purposely separate the phenomenon from the context and focus on a limited number of variables (Zainal 2007).

In general, case studies usually involve a relatively small number of data sources and, as Barratt et al. (2011) point out, the collection of relevant data is most often conducted within the context of its practise and the situation where the researched phenomenon occurs. Gomm et al. (2000) argue in a similar way and further highlight that within case study research, the focus lies on the analysis of a large number of features of each case. Moreover, by embedding case studies within the findings of the literature, it is aimed at gaining a detailed understanding of the phenomenon and its theoretical background (Farquhar 2012).

In clarifying the use of case studies, the literature distinguishes three types (Yin 2009): Descriptive case studies purely describe a phenomenon such as a procedure, routine or event to answer questions of 'what', 'who', 'where' and 'how (many)'. Moreover, while exploratory case studies explore new research areas where only limited experience and knowledge are available, explanatory case studies describe phenomenon in more depth and identify interrelationships by seeking answers to 'how' and 'why' questions. In addition, Barratt et al. (2011) classify the application of the case study research into inductive and deductive practice. In addition, Barratt et al. (2011) classify the application of the case study research into inductive and deductive practice. Deductive case studies are used to either confirm or falsify an existing theory by researching a phenomenon. On the other hand, the researchers note that inductive case studies aim to build theory and thus fill existing gaps in the existing knowledge. Eisenhardt and Graebner (2007:25) describe the interrelation between the two research approaches as 'mirrors of one another, with inductive theory building from cases producing new theory from data and deductive theory testing completing the cycle by using data to test theory'.

Therefore, with regards to the research aim and objectives, there is strong theoretical support for the use of case study research within the presented work but no clear answer to the question: Which type is the most suitable? Thus, it can be derived that the research aim itself defines the course of action (Yin 2009). Given the fact that research *Phase 2* has an inductive character, as highlighted in 3.3, the motivation for the presented study is driven in a similar direction. Consequently, this research aims to generate new theory and form propositions, thereby following common case study practice in business research, which ‘is mostly used for illustration and exploration’ (Dul and Hak 2008:20).

Finally, in order to comply with Yin’s (2009) recommendations for performing case study research, a four stage approach was applied throughout the subsequent parts of the presented work: First, the case study was designed. Second the case study was conducted within a leading automotive supplier. Third, the case study content and evidence was carefully analysed. In a last fourth step, a conceptual GAM performance model was developed.

#### **4.2.1 Case Study Design and Justification**

In the design of a case study, the number of cases used depends on the purpose of the research. In this context, Yin (2009) distinguishes between single case and multiple case studies. In general it can be said that studies which involve multiple cases focus more on generalisation and replication (Yin 2009), while single case studies ‘allow researchers to investigate phenomena in depth to provide rich description and understanding’ (Darke et al. 1998:277, referencing Walsham 1995). The lack of generalisation therefore is often seen as a weakness of single case studies (Tellis 1997, Yin 2009, Barratt, Choi and Li 2011). Although Stake (1995) agrees that single cases are not a strong basis for generalisation, the author points out that much that is generable can be learned. Likewise, while Feagin et al. (1991) argue that taking more than one case as a basis for the research may weaken the importance and significance of the single case, Rowley (2002) and Siggelkow (2007) state that single case studies are often a very powerful examples that reveal special knowledge which can be used to fill in the gaps in existing theories. Hence, taking into consideration that current literature does not explicitly explain

interrelations between GAM and corporate culture, a single case study turns out to be the preferred method of choice for overcoming this limitation.

Against this background, Yin (2009) proposes various types of assessment including documentation, archival records, interviews, direct observations, participant observation and physical artefacts. However, considering the ontological assumptions applied within this research, it is argued that the conducting of interviews with customer-orientated GAM experts is the most suitable methodology as it enables the researcher to gain a comprehensive understanding of the phenomenon in its natural and social environment (Boyce and Neale 1996).

As Vogt et al. (2012) find however, to illuminate the areas of interest, the availability of participants and their willingness to contribute to the proposed case study, research forms two essential criteria when selecting an appropriate sample case. The authors therefore particularly stress the fact that studies within institutions raise issues with regards to confidentiality and permissions from internal authorities, limiting access to potential participants. Considering the background of the presented thesis, especially in a GAM environment, access to GAM experts and a company's permission to share information are likely to be critical issues, since as the literature review indicates, organisational structures, processes, people culture and strategy are often seen as critical determinants of a company's market performance and thus are likely to be classified as confidential. Consequently, access to key informants is of a rather limited nature and can result in insufficient leeway for performing a single case study.

For that reason, analogous to the KAM research project of Al-Husan and Brennan (2009), the researcher's access to former, personal GAM contacts and the researcher's affiliation with a globally leading automotive supplier that sells a high number of different components, systems and solutions to almost every major car manufacturer worldwide, can be seen as having very strong benefits in terms of access to valuable resources for data collection (Yin 2009). To be more precise, through a broad range of GAM related associates, participation was formally

requested and access granted to various hierarchy levels from account managers up to executive vice presidents in Europe and North America, currently two of the most important and competitive markets for automotive suppliers and producers.

Moreover, as the market for automotive suppliers faces growing competition, this automotive supplier steadily seeks to adjust its GAM practices, rendering the selected participants willing to cooperate in the improvement of their own GAM practices through participation in this thesis.

Thus, the benefits of access to members of a sophisticated and representative GCOs that has been in place since the early 1990s and includes more than 15 world-wide operating GAM teams constitutes a unique and extreme data set. Moreover, by drawing the focus exclusively on participants of GAM or closely related functions, the presented single case study serves as a powerful, representative source of information to gather a comprehensive view on the phenomena and hence can be classified as holistic (Rowley 2002, Yin 2009).

Overall, the researcher achieves strong legitimacy for the presented single case-study design, not least due to the access to a comprehensive assortment of GAM experts supporting this research. Table 7 shows a summary of the case study and bundles the arguments that justify the chosen approach. Nevertheless, it needs to be mentioned that the case study research comes with a highly subjective component and can be subject to subjective bias (Flyvbjerg 2006). Therefore, in order to reduce the risk of generating biased results, an organised interview guideline, careful participant selection and structured process for recording, transcribing and interpreting the data are preconditions for the presented study (Guba and Lincoln 1985, Dick 1990) and will be described and developed throughout the following chapters.

Case Study Design					
Justification	Case Study	→ Exploratory / Inductive	→ Single Case	→ Holistic	→ In-depth interviews
	<ul style="list-style-type: none"> <li>Predictors for successful GAM relationships and GAM performance to be explored in depth to get understanding of underlying interrelations and theoretical background. (Farquhar 2012)</li> </ul>	<ul style="list-style-type: none"> <li>Limited availability of literature, theory and experience that clearly links GAM and corporate culture implicates exploratory research. (Yin 2009)</li> <li>No comparable study conducted before.</li> </ul>	<ul style="list-style-type: none"> <li>Single cases do not focus primarily on generalisation; moreover single case studies allow researchers to investigate phenomena in depth to provide rich description. (Darke et al. 1998, Yin 2009 )</li> </ul>	<ul style="list-style-type: none"> <li>Only global account management organisation or closely related functions are part of the case study.</li> </ul>	<ul style="list-style-type: none"> <li>In depth interviews with experts (key-informants) within GAM organisation to reveal knowledge and experience. (Boyce and Neale 1996)</li> </ul>
	<ul style="list-style-type: none"> <li>GAM and corporate culture are contemporary phenomena and cannot be clearly isolated from research context. (Yin 2009 , Barratt 2011)</li> </ul>	<ul style="list-style-type: none"> <li>Study aims to build new theory and fill existing gaps in the existing knowledge. (Eisenhardt and Graebner 2007, Barratt 2011)</li> <li>Theory to be generated and propositions to be formed. (Rowley 2002)</li> </ul>	<ul style="list-style-type: none"> <li>Access to and affiliation with sophisticated GAM organisation (&gt;20y) of leading automotive supplier can be seen as very strong benefit in terms of access to valuable resources for data collection. (Yin 2009, Vogt et al. 2012)</li> </ul>	<ul style="list-style-type: none"> <li>No suitable sub-units for GAM organisation identifiable. Therefore other functional areas of the corporate not part of the investigation to assure quality of information. (Yin 2009)</li> </ul>	<ul style="list-style-type: none"> <li>Interview guideline development. (Kvale 2008, McNamara 2009)</li> <li>Pilot testing performed amongst practitioners and academics.</li> </ul>
	<ul style="list-style-type: none"> <li>Focus mainly lies on qualitative analysis and thus on large number of features of each case. (Gomm et al. 2000)</li> </ul>	<ul style="list-style-type: none"> <li>Most case studies performed in business and management research focus on illustration and exploration. (Dul and Hak 2008)</li> </ul>	<ul style="list-style-type: none"> <li>Selected single case represents powerful, representative and unique example of which new insights can be gained. (Siggelkow 2007, Rowley 2002)</li> </ul>	<ul style="list-style-type: none"> <li>Holistic approach preferred when complete picture of research object desired. (Rowley 2002)</li> </ul>	<ul style="list-style-type: none"> <li>21 semi-structured interviews conducted. (Bertaux 1998, Guest et al. 2006, Creswell 2009)</li> <li>19 recorded and fully transcribed.</li> </ul>

Table 7: Case study design and justification

### **4.3 In-Depth Interviews**

Today, interviews are used for data collection across a wide range of academic disciplines and as mentioned in the previous chapter, form one of the key data collection methods for case study research (Yin 2009). Especially in case studies dealing with a real world setting, interviews are acknowledged as a sophisticated research technique (Kvale 2008). Basically, an interview determines a focused discussion between two or more people (Kahn and Cannell 1957). Another term used frequently in qualitative research is 'key informant interviews', which refers to the special nature of the participant being interviewed in that he or she is chosen by the researcher because of their important or different viewpoint, status in a culture or organisation, and/or knowledge of the issue being studied (Tremblay 1957). Interviewees thereby provide the scientist with information through verbal exchange. However, non-verbal behaviour patterns in relation to the interview background are also incorporated in the data through observation by the researcher (Jones and LeBaron 2002).

Focussing on business research, Saunders et al. (2009:324) state that 'managers are more likely to agree to be interviewed, rather than complete a questionnaire, especially where the interview topic is seen to be interesting and relevant to their current work'. In addition to this fact, the researcher should understand the significance of the interviews conducted, and that they should always be in line with the purpose of the research aims and objectives as well as the applied research strategy (Saunders et al. 2009). Thus, interviews support valid and reliable data gathering. There are various styles of interviews; Semi-structured in-depth interviews form the body of the qualitative study for this research project.

Conducting an intensive, individual interview provides a researcher with the opportunity to explore each respondent's perspective on certain ideas and topics or situations (Boyce and Neale 1996). Interviewing should be preferred in particular if the research is focused on the detailed identification of factors where insider experiences, thoughts and opinions are required. Emphasis is placed on listening to the participant and examining their information rather than strictly enforcing a



fixed structure. Given the fact that this study is performed within a professional business environment where potential participants usually have limited time, Bernard (2011) recommends semi-structured interviewing because it is the most appropriate technique when the interviewer has only one chance to perform the interview. As a practical consequence, the use of semi-structured interviews was applied here.

In comparison to unstructured interviewing, the semi-structured approach uses an interview guideline to follow a list or a defined order of questions and topics. Such a procedure ensures that reliable as well as comparable data can be gathered. Moreover, by asking questions in a neutral manner, researchers engage with the participants and try to extract independent information, thereby developing and strengthening statements vital to the research (Foddy 1994, Boyce and Neale 1996, Kvale 2008).

#### **4.3.1 Designing the Interview Guideline**

Common to the exploratory character of qualitative research, neither the scope of the research nor a rich description of the research phenomenon is available at the start. Therefore, interrelations identified in the literature review as well as research aims form a crucial basis for defining the research. In this case, interrelations between GAM and structural, strategic and cultural aspects as well as the research aim and goals served as a starting point for designing the interview guideline. As outlined in the previous paragraph, semi-structured interviews are used to guide and develop the discussions with the experts. However, it should be understood that the interviews do not necessarily have to follow a specific and standardised process and that not all questions are asked in a specific predefined order. Moreover, interview guidelines help to overcome the limitations of existing assumptions by setting the direction of the discussion and provide the researcher with the required space to explore interrelations that were not revealed through the literature search. This can be understood as a relatively flexible and unrestrictive research approach that provides the researcher with the opportunity to obtain a clearer picture of the phenomenon by exploring the various dimensions of the subject and iteratively filtering the most important areas of knowledge. The interview guidelines for the

case study on GAM and Culture were designed following the suggestions of Kvale (2008) and McNamara (2009), which recommend that interviews, independently from their scope, should be organised in three phases: (1) Introduction phase, (2) information gathering phase and (3) closing phase.

The first phase of the interview, the introduction phase, can be seen as a warm up stage, which therefore has to be firmly anchored in the interview guidelines (McNamara 2009). Here, the researcher explains the non-disclosure and anonymity agreement as highlighted in the informed consent presented in Appendix B2. It was also communicated that the interview was audio recorded but that no personal information about the participant would be disclosed or become traceable through the analysis and presentation of the results. The researcher then introduced himself and the research topic before presenting the first findings from the literature to set a frame for the discussion and the procedure of the interview. The interviewer then gathered background information about the participants such as exact position, years of experience and specific customer information. This is an indispensable practise to not only generate trust, and thereby reduce potential informant bias, but also to generate a relaxing but professional atmosphere. A clear picture of the participant's background also helped weighting the information later on.

The information gathering phase deals with the topics in the focus of the investigation and can be understood as the 'heart' of the research. To first of all identify whether the interview partners understood the major areas of interest, GAM and corporate culture as they are defined herein, they were asked to explain the culture of their own company as well as the culture of their customers' companies. This can be seen as a control question to ensure that the information provided throughout the following discussion was based on a common understanding of the two topics. Following this, it was asked whether the participant had experienced any particularities concerning structure, strategy or culture in the supplying or buying company. The following set of questions served to narrow down the first findings from the literature, which imply clear interrelations between global account management and structural, strategic and cultural aspects as well as performance. This procedure basically followed two

purposes: First, to clarify whether the results from the literature research covered the most important interrelation between the two topics and illuminate whether these are relevant for practical application. Second, to address the outlined limitations while simultaneously widening the scope of the literature research.

Furthermore, questions regarding the supplier and customers were examined independently to create a clearer picture of whether internal or external influences on global customer organisations predominate. Also, the case study raised questions of whether members of GCOs perceive that their customers expect them to adapt in any way to the structural, strategic or cultural direction.

Of further interest to the study is the question of how GAM members rate the importance of dimensional customer compatibility in terms of GAM performance. This information served to identify first-hand information that directly targets the outlined research gap. The question of whether participants experience any trends in either of the discussed areas helped to disclose any significant paragon or changes in the field of studies and furthermore initiated the transition to the closing phase.

The third and closing phase within the interview guidelines describes the section where the researcher aspired to acquire input concerning the direction of the topic. This allowed an assessment of whether the interview data supports the first implications of the literature. Additionally, the research aimed to provide feedback on the interview procedure as well as the interview itself. Therefore, potential weaknesses in the data collection procedure should be identified to continuously improve the process and quality of information gathered.

#### **4.3.2 Pilot Testing**

According to Kvale (2007), pilot testing of interview guidelines or questionnaires forms an important element of the realisation of interview based studies. This should enable researchers to identify limitations or other weaknesses within the design of the guidelines or interview procedure as a whole. The pilot testing technique thereby aims to refine the guideline questions to reduce friction effects and potential interpretation problems, which could cause misunderstandings

between what is asked by the researcher and understood by the participant (Bryman 2008). Furthermore, pilot tests can be used to assure the method of data collection chosen is appropriate for the research project and will not result in failure or the violation of research protocols. It is recommended to perform pilot studies with subjects that are potential participants, in that they share similar interests, and can therefore provide quality feedback (Turner 2010).

The aims of the pilot study performed in this research project were to validate the reference to the research gap, to stress the wording of the interview guidelines and to review the procedure for approaching potential participants. It was decided to present the interview guidelines to four independent members of GCOs and to a panel consisting of 11 researchers that perform research in business. All in all, the subject experts agreed with the proposed guidelines and confirmed the importance of the topic. However, some smaller limitations arose from the testing and were immediately addressed.

While interviewing the four experts, it became apparent that the initial version of the guidelines was too long as the complete interview took 90 minutes and therefore exceeded the participants' scheduled time. Moreover, the questions were too narrowly formulated, which caused difficulties in understanding on the experts' side. Another point mentioned by one of the professionals was that the introduction took too long. As a result, the 10 introduction slides were reduced to 5, reducing the time required without lowering the information quality. Concerning the interview procedure, another participant mentioned that the name and department on the informed consent should already be filled out to facilitate the procedure. This was taken into consideration for the complete study, and the documents were filled out accordingly from there on so that participants only had to sign them.

The panel of researchers providing an academic perspective in the pilot testing phase agreed with the guidelines and confirmed the approach in terms of disclosing new data and contributing to existing knowledge. However, it was highlighted that the workers' council of the automotive supplier needed to be consulted before the

study started. Directly after this input, permission was requested from and access granted by the responsible member of the workers' council.

Taking into consideration that the pilot testing was performed in a practical and academic environment, it certainly supported the elimination of several stumbling blocks and therefore contributed to the generation of valuable data throughout the collection process. However, due to the relatively small sample size, improvement and development of the complete interview guidelines and procedures were continued. This was possible due to the adaptable and flexible approach, as outlined in Figure 9. The final version of the interview guidelines are presented in Appendix B1.

#### **4.3.3 Reliability and Validity**

As Saunders et al. (2009) point out, there are various potential quality issues concerning semi-structured and in-depth interviews in terms of reliability and validity which will be discussed within this paragraph.

Reliability in a qualitative research context concerns the replication of the study results by other researchers (Thorpe et al. 2008). Literature however demonstrates reasonable concerns about the repeatability of qualitative findings, as for example highlighted by Rossmann and Marshall (2010). The authors argue that qualitative findings obtained throughout non-standardised research procedures are difficult to replicate since the inquiry itself, as well as the study environment, will be different. Considering this fact, any effort to achieve replicable results throughout non-standardised research does not seem realistic. Nevertheless, Rossmann and Marshall (2010) outline that the research design should be demonstrated carefully and in an understandable manner to underpin the application of appropriate research procedures and thus reduce the risk of producing unreliable research output. Following these recommendations, section 4.2.1 provides a detailed overview of the steps of the research procedure to not only ensure a high degree of reliability of the research process and its results, but also to allow fellow researchers to understand and reproduce the circumstances in which they were obtained.

Validity in qualitative studies is described in various terms and is often not understood as single concept, but ‘rather a contingent construct, inescapably grounded in the processes and intentions of particular research methodologies and projects’ (Winter 2000:1). The aggregated concept of validity therefore ensures that researchers find out what they really want or pretend to measure. Even if some authors argue that validity measures are only partially applicable to qualitative studies (Golafshani 2003), some quality checks have been implemented in this research. Therefore, in accordance with a critical realist’s epistemological stance, various criteria derived from partly quantitative approaches find use herein. To be more precise, as often applied in questionnaire based research, a distinction between, internal, external, content and predictive validity was made and addressed (Cooper et al. 2006), as demonstrated in Table 8.

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**Table 8: Interview guideline validation criteria (based on Cooper et al. 2006)**

Ensuring high validity and thereby high academic trustworthiness, leads to a ‘credible and defensible result’ (Johnson 1997:283) and thus to high quality

research. In this context, Stenbacka (2001) identifies the generalisability of qualitative findings as an important validity and quality measure for qualitative studies. Patton (2002) supports this point of view and classifies generalisability as an important factor for qualitative case studies.

Triangulation is commonly suggested as a validation tool for qualitative studies and the corresponding generalisation of the findings (Golafshani 2003). As Patton (2002) argues, triangulation strengthens a study by combining methods and therefore requires two or more independent data sources or methods of data collection within one study. There is however no fixed triangulation procedure that applies for all research, and the methods chosen for testing validity and reliability depend on the criterion of the research (Golafshani 2003).

The findings of Bryman (2006) outline that triangulation is one of the reasons for applying the mixed-method approach. As highlighted in Chapter 3.3, the proposed research design qualifies mixed-method research and thus fulfils the triangulation / validation criteria. Since the approach is also in line with the critical realism research paradigm, which advocates a combination of social and natural science to foster contextual interpretations, this research can be considered as sufficiently valid and cohesive.

#### **4.4 Sampling and Realisation of Study**

Defining study samples, and thereby the informants or ‘data sources’ involved in the research process, is considered a very important stage in any qualitative research. This can be reduced to the fact that it is neither practical nor feasible to include all potential informants (Marshall 1996). With regard to the purpose of the qualitative study, the most appropriate sampling technique identified was purposive sampling.

Throughout this technique, ‘the researcher actively selects the most productive sample to answer the research question’ (Marshall 1996:523). Samples are most often key informants who have a solid knowledge in their area and serve to reflect the opinion of the group or culture they represent (Bernard (2011). Furthermore, purposive sampling is recommended when the researcher faces a relatively small

sample size and needs to select specifically informative subjects (Marshall 1996, Saunders et al. 2009).

Keeping in mind that GCOs and their members form a homogenous group of a limited size with the special expertise of the individual members, applying sampling techniques to the study is justifiable. As single members are identified as key informants, it is possible to achieve the required degree of depth within this inductive part of the research. Additionally, if participants are able to recommend suitable potential participants for study, recommendations are taken into consideration. This adds the characteristic of snowball sampling to the approach (Biernacki and Waldorf 1981). To ensure that the qualitative study produces valuable results, the participants' importance to the creation of knowledge had to be carefully considered. Therefore, close selection criteria for potential contributors were applied. Table 9 presents an overview of criteria that participants had to fulfil to be considered as suitable for participating in the qualitative study.

There is an ongoing discussion in literature about the appropriate sample size for qualitative studies (Mason 2010, Russell and Gregory 2003, Sandelowski 1995). The most frequently debated concept is the point of saturation or data saturation, which is applied herein. This describes the state when the study does not reveal any further data that serves to answer the research question (Glaser and Strauss 1967) and redundant data patterns can clearly be identified by the researcher (Bogdan and Biklen 2007).

To define the number of samples required to achieve saturation, Guest et al. (2006) performed a study based on in-depth interviews and found out that a data saturation rate of more than 90% could be achieved after conducting 12 interviews. This is in a similar range to Bertaux's (1981) guideline that recommends a minimum of 15 interviews regardless of the research area. Charmaz (2006) characterises a sample size of around 25 as sufficient and Creswell (2009) points out that 20-30 in-depth discussions can be seen as satisfactory. Concerning these facts, and the time as well as financial limitations of the research project, the concept of data saturation was applied, resulting in a sample size in the range of 12-25.



No.	Criteria	Application
1	Participant must be a member of a GAM organisation or closely related.	<ul style="list-style-type: none"> <li>Participant must be member of a GAM or closely related organisation to serve the purpose of the investigation.</li> </ul>
2	Hierarchy level must be account manager or higher.	<ul style="list-style-type: none"> <li>In order to evaluate all considered factors, participants were required to have a deep insight into the organisation and processes. Participant should work operatively as well as understand decisions and the strategic orientation of the investigated organisation.</li> </ul>
3	Participant requires more than three years of experience in the field of GAM.	<ul style="list-style-type: none"> <li>By predetermining the time span the participant has been active in a GAM organisation, the level of experience required to make a valuable contribution to the research project was secured.</li> </ul>
4	Relationships with more than two accounts have to be maintained.	<ul style="list-style-type: none"> <li>Potential interviewees must have had experience with various customers to be able to identify interrelations or differences within the customers' organisations.</li> </ul>
5	International experience.	<ul style="list-style-type: none"> <li>International experience is required to understand the global set up, requirements, structure, strategy and the culture of Global Accounts.</li> </ul>

**Table 9: Selection criteria for potential interviewees**

Based on the theoretical implications demonstrated in this paragraph, 21 participants within a leading global automotive supplier were identified as experts and interviewed in face to face meetings between July 2012 and February 2013. Categorised by their hierarchy level, the sample group consisted of 3 Executive Vice Presidents and 1 Vice President of Sales, all globally managing various GCOs; 1 Regional President, with regional responsibility for a large-scale business unit; 6 Global Account Managers, responsible for one large or several smaller global accounts; 5 Regional Account Managers, with regional account responsibility; 2 Account Managers, as GAM team members; 1 Central Sales Director, responsible for coordinating cross-customer sales activities; 1 Marketing Director and 1 OEM Sales Support manager. Nine participants were located in Europe and eleven in

North America. A total of 19 interviews were audio-recorded and fully transcribed (two did not agree to recording). Appendix B3 provides an overview of the participants and their positions.

**NOTE:**

Due to a signed non-disclosure agreement, a requirement of the interviews, neither the names of the company or its employees, nor further data or facts about the company will be provided herein. For further information concerning the case study data, please contact the researcher through Coventry University.

## **5 Qualitative Data Analysis and Evaluation**

As outlined in the literature, one of the most challenging tasks in interview-based qualitative research is the analysis of large datasets (Waring and Wainwright 2008). Following the scope of *Phase 2* of the research design, the subsequent sections provide guidance and demonstrate several steps of how the data collected in the exploratory interviews was analysed and transformed into a conceptual global account management performance model (GPM); thereby, this chapter aims to fulfil Research Objective (2).

### **5.1 Template Analysis**

To avoid misinterpreting the large volume of textual material generated through transcribing the GAM expert interviews and to ensure a structured breakdown, the template analysis (TA) approach developed by King (1998) was used. The core of the TA methodology is that textual data is organised and analysed within a hierarchical list of codes or so called ‘templates’. The term ‘code’ refers to a word or short phrase that symbolically assigns an intrinsic attribute to a portion of language-based or visual data (Saldaña 2012). Additionally, hierarchical coding enables the researcher to analyse text at different levels of specificity, with higher-order codes providing a general overview of the interview themes and directions and lower order codes providing fine distinctions within and between cases (King 2012).

In this way, template analysis summarises themes in the dataset in a meaningful and useful manner and by this means demonstrates and establishes relationships between such themes. In comparison to other qualitative data analysis methods like grounded theory (Corbin and Strauss 1994), or interpretative phenomenological analysis (IPA) (Smith 1996), King (2012) outlines the advantages of TA in that it can be used within a larger range of epistemological positions as it is not bound to a single position. Additionally, TA allows a more comfortable handling of large volumes of data which, considering the large number of interviews (21), made it the preferred analysis method for this research project.

### 5.1.1 Analysis Results

The development of the coding template was performed using the MaxQDA 11 software package and followed a four step approach based on King's (2012) TA procedure:

At first, as suggest by the author, a set of codes was defined *a priori*. However, at this stage, King (2012) points out that the initial template should not be too large to avoid unnecessary limitation. Consequently, as can be seen in Figure 10, a relatively loose initial template with two hierarchical levels comprised of four higher- and fourteen lower-order codes was developed based on the results of the literature review and key topics covered in the interview guideline.

In the next step, the first six interviews were fully coded in MaxQDA 11 and the template revised. This was because new coding themes were discovered in the data, resulting in an extension of the initial template. To be more precise, the 'concept of fit' became a central element of the discussion because it received much attention from the interviewees. Thus, the highest code level was adjusted and three domains were introduced: structural, strategic and cultural fit. In addition, a third code level was introduced to make the definitions more specific. This procedure led to a change of classifications in the second coding level, for example the code label 3.1 'values' was subsumed under the new second order classification: 'organisational congruence'. Furthermore, even if was not strictly essential, a code hierarchy was established according to the dataset frequency.

Subsequently, during the analysis of the remaining 13 transcripts, the template was further refined by the inclusion of new codes and the deletion of unsuitable codes. Following the coding, the notes from the two interviews (which were not recorded) were roughly coded and included in the template. From a modification perspective, King (2012) recommends reading every text three to four times before considering the analysis, and completing the template. Based on this guidance, analysis was discontinued after all interviews had been read three times and no additional information relevant to the research aim could be identified; thus, data saturation was achieved.

<b>1. GAM Structure</b> <ul style="list-style-type: none"> <li><b>1.1 People</b></li> <li><b>1.2 Management Support</b></li> <li><b>1.3 Localisation</b></li> <li><b>1.4 Processes</b></li> </ul>	<b>3. Corporate Culture</b> <ul style="list-style-type: none"> <li><b>3.1 Values</b></li> <li><b>3.2 History</b></li> <li><b>3.3 Customer Orientation</b></li> <li><b>3.4 Adaptation and Alignment</b></li> </ul>
<b>2. GAM Strategy</b> <ul style="list-style-type: none"> <li><b>2.1 Global Pricing</b></li> <li><b>2.2 Global Products</b></li> <li><b>2.3 Joint Coordination</b></li> <li><b>2.4 Global Marketing</b></li> </ul>	<b>4. Performance</b> <ul style="list-style-type: none"> <li><b>4.1 Relational</b></li> <li><b>4.2 Financial</b></li> </ul>

Figure 10: Template Analysis: The initial coding template

Finally, the conceptual template was presented and discussed at a PhD student congress in Stuttgart, Germany with a focus on coding methodology and its application to interview content. As the majority of the researchers agreed with both the performed template analysis and the resulting template, only minor adjustments were made to the wording of the codes.

The final code template, summarising all the research's relevant interview content, is presented Figure 11. An in-depth explanation of the coding subjects is provided throughout the following sections.

<p><b>1 Structural Fit</b></p> <p><b>1.1 Personnel Match</b></p> <ul style="list-style-type: none"> <li>1.1.1 Decision Hierarchy</li> <li>1.1.2 Cultural Background</li> <li>1.1.3 Educational Background</li> <li>1.1.4 Training</li> </ul> <p><b>1.2 Geographical Coverage</b></p> <ul style="list-style-type: none"> <li>1.2.1 Customer Coverage</li> <li>1.2.2 Decision Maker Closeness</li> <li>1.2.3 Following</li> </ul> <p><b>1.3 Internal Support</b></p> <ul style="list-style-type: none"> <li>1.3.1 Resource Allocation</li> <li>1.3.2 Top Management Involvement</li> <li>1.3.3 Authority Assignment</li> <li>1.3.4 Top Management Contact</li> <li>1.3.5 Downstream support</li> </ul> <p><b>1.4 Process Fulfilment</b></p> <ul style="list-style-type: none"> <li>1.4.1 Sourcing</li> <li>1.4.2 Development</li> <li>1.4.3 Series</li> </ul> <p><b>2 Strategic Fit</b></p> <p><b>2.1 Product Strategy</b></p> <ul style="list-style-type: none"> <li>2.1.1 Portfolio Alignment</li> <li>2.1.2 Pricing and Quality</li> <li>2.1.3 Proactiveness</li> </ul> <p><b>2.2 Market Operations</b></p> <ul style="list-style-type: none"> <li>2.2.1 Globalisation Strategy Coverage</li> <li>2.2.2 Joint Marketing</li> <li>2.2.3 Joint Decisions</li> </ul> <p><b>2.3 Growth Alignment</b></p> <ul style="list-style-type: none"> <li>2.3.1 Market Share</li> <li>2.3.2 Turnover</li> <li>2.3.3 Profitability</li> </ul>	<p><b>3 Cultural Fit</b></p> <p><b>3.1 Organisational Congruence</b></p> <ul style="list-style-type: none"> <li>3.1.1 History</li> <li>3.1.2 Values</li> <li>3.1.3 Company Type</li> <li>3.1.4 Decision Hierarchy</li> <li>3.1.5 Centralisation</li> </ul> <p><b>3.2 Adaptability</b></p> <ul style="list-style-type: none"> <li>3.2.1 Improvements</li> <li>3.2.2 Market</li> <li>3.2.3 Change</li> </ul> <p><b>3.3 Level of Innovation</b></p> <ul style="list-style-type: none"> <li>3.3.1 Innovative</li> <li>3.3.2 Experimental</li> <li>3.3.3 Risk Taking</li> <li>3.3.4 Reactiveness</li> </ul> <p><b>3.4 Collaboration</b></p> <ul style="list-style-type: none"> <li>3.4.1 Conflict Resolution</li> <li>3.4.2 Information Sharing</li> <li>3.4.3 Transparency</li> <li>3.4.4 Fairness</li> </ul> <p><b>4 Performance</b></p> <p><b>4.5 Relational Performance</b></p> <p><b>4.6 Financial Performance</b></p>
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Figure 11: Template Analysis: The final coding template

### **5.1.2 The Concept of Fit**

The ‘concept of fit’ has become a central construct in many management disciplines since it reveals important organisational structures and ‘aspects of individuals, such as values and expectations’ (O'Reilly et al. 1991:487). Furthermore, Porter (2000:2) reinforces the importance of ‘fit’ as a central element for achieving competitive advantage by outlining that ‘fit drives both, competitive advantage and sustainability: when activities mutually reinforce each other, competitors can’t easily imitate them’.

As revealed throughout the literature review, especially in account management research, ‘fit’ between vendors’ and customers’ strategies and structures is of great importance, and thus the concept has been the focus of several GAM and KAM researchers (Sengupta et al. 1997, Shi et al. 2004, Toulan et al. 2006, Gosselin and Bauwen 2006, Jones et al. 2009, Gao and Shi 2011). Furthermore, as outlined in Section 2.3.4 academics have broadly acknowledged the impact of cultural distance, congruence or fit while investigating the influence of corporate culture on business-to-business relationships (Chatterjee et al. 1992, Cartwright and Cooper 1993, Weber et al. 1996, Sarkar et al. 2001, Damanpour et al. 2012). Hence, the extent of literature, approaches and applications of the ‘concept of fit’ implies that multiple definitions of the term ‘fit’ coexist; therefore, it was necessary to illuminate ‘fit’ in the context of GAM and the developed template.

According to Toulan et al. (2006), the ‘concept of fit’ was first applied in the 1960s to characterise organisational structures in general. Since then it has been used more specifically to focus on single elements of an organisation, for example, its strategy, structure or internal systems. Although the term ‘fit’ has various meanings in the context of this work, it is understood as a static match between actors and / or conditions (Drazin and Van de Ven 1985).

Furthermore, GAM research commonly emphasises the concept of interactive fit, which indicates performance variation based on the interaction of pairs of organisational structure and context variables (Shi et al. 2004, Toulan et al. 2006). Consequently, by focussing on the fit between supplying companies and their

customers in the context of GAM, the structural, strategic and cultural fit domain follow Toulan et al.'s (2006:62) understanding of fit 'as a high level of agreement or consistency between two interacting organisations'.

## 5.2 The Structural Fit

In their international study, Toulan et al. (2006:86) underline that 'the most critical aspect of organisational structure is the configuration of the activities at the interface between the firms - vendors' sales and customers' purchasing operations'. The authors go one step further and characterise the level of structural fit between the supplying company and the customer as a critical mediator of account management performance, which directly influences the business relationship and thereby performance on a specific account. This means that managers require a certain degree of flexibility to independently adjust GAM structures to continuously improve customer-orientated relations. Suppliers thus face the challenge of tailoring GCOs to accommodate the individual needs of each customer, as theorised by Birkinshaw et al. (2001) and confirmed by one of the interviewees:

*I think each customer does expect that you are going to tailor your customer interface to fit their needs and to the way how they operate. They expect that you have the right people in the right regions in place, and provide them with sufficient decision authority.*

*OEM Sales Manager, Study Participant #14*

To date, various studies have been developed and introduced to measure the concept of structural fit or comparable antecedents. As proposed in their empirical study, Toulan et al. (2006), for example, identify the configuration of activities and focus on the extent of the centralisation of supplier versus customer activities and the executive involvement of both partners as key measures of structural fit. It seems that this approach is reasonable; however, the two dimensions discussed do not take general structural aspects into consideration and should therefore be understood as a wide-ranging construct rather than comprehensive parts. Another paper, presented by Richards and Jones (2009), involves operational fit as part of

their proposed theoretical framework on KAM effectiveness. Although the authors define operational fit as the ‘degree to which the service requirements of the key account are aligned with the capabilities of the selling company’ (2009:316), their approach does not discuss the elements included in detail. As part of the integrative model of GAM strategies, Shi et al. (2010) additionally introduce globalisation as a driver by outlining that GAM strategies cover inter-country (ICC) and inter-organisational coordination (IOC), the standardisation of marketing activities and global integration, which also can partly be seen as part of a matching GAM structure. In a similar vein, Gao and Shi (2011) locate goal congruency and resource complementarity in their inter-organisational fit construct, thus affecting ICC and IOC and subsequently GAM performance.

A consistent outcome of the interviews performed with the GAM experts partly confirms the theoretical approaches and highlights that providing a GAM structure fitted to global customers’ set ups is a multi-faceted and challenging construct, linked to account management performance. It also turned out that the models discussed in the literature should not be understood as holistic, despite providing a well-defined starting point for describing the structural fit concept. Hence, within this study, the theoretical concepts were examined and complemented with practical input to overcome this limitation. As a result, the concept of structural fit is seen herein as a latent construct reflecting the degree of matching customer interface structures offered by the supplying company with direct influence on the performance of the GCOs. The domain includes four key dimensions: personnel match, geographical customer coverage, internal support and process fulfilment.

### **5.2.1 Personnel Match**

Personnel match refers to the degree of similarity between the associates working at the selling / buying interface, including both personal and professional dimensions. Accordingly, the choice of personnel at the GAM interface has a direct impact on supplier performance and thus influences the selection and evaluation of global account managers, GAM team members and support staff (Harvey et al. 2003a, Montgomery and Yip 2000, Jones et al. 2009, Gao and Shi 2011). Consequently, providing associates who are highly compatible with their



counterparts to serve as the buyer / seller interface is an important component of the structural fit; and plays a key role in the assurance of a friction-free information flow, as outlined by one of the study participants:

*It's the interface to the customer that is key. Design it as lean as possible and provide the right people with the right skills, abilities and sufficient decision power to assure purposeful and fast communication. Your customer will thank you for that with future business.*

*Executive Vice President Sales, Study Participant #18*

Montgomery and Yip (2000) highlight the critical character of the interface design, as the majority of customer relevant information exchange is bundled and communicated via GAM channels. Moreover, a considerable amount of research investigates GAM interface design from a team level perspective (Kempeners and van der Hart 1999, Birkinshaw et al. 2001, Harvey et al. 2003b, Atanasova and Senn 2011), taking GAM team composition (structure, size, configuration, empowerment etc.) and other related team issues into consideration. Creating performant account management teams turns out to be a highly challenging and interdisciplinary mission. However, as a result of the interviews, the presented conceptual framework does not distinguish between interfaces consisting of single individuals or fully developed account management teams, since both forms were part of the qualitative assessment. This means that the interface of the GCO, as it is understood herein, includes all actors 'who are involved in the processes of problem solving, decision-making, activity planning and coordination with its counterpart' (Shi et al. 2004:548).

While analysing several companies, Kempeners and van der Hart (1999) observed similar structures ranging from those with no support for account managers to formalised account management teams. It became clear that the main challenges that arise when servicing a global account (gaining acceptance within the supplying organisation and addressing cross-functional issues (Harvey et al. 2003a) apply to any form of customer interface. Independent of the interface form, Schultz and Evans (2002) highlight that communication, especially in buyer / seller

relationships, has a personal - informal and bi-directional character, is determined by frequency and content, and results in role performance, trust and synergetic solutions. It is argued that similar individual profiles between counterpart associates on each side result in stronger relationships and thus predict the outcome of the business relationship (Richards and Jones 2009).

Due to the nature of international business relationships, it is often the case that companies with different cultural and national backgrounds do business together across various national and or global markets. Cross-cultural research however discloses that cultural divergence affects the way in which information is processed. This impacts individual decision-making processes, increases differential expectations with regards to service quality and affects the development of trust and commitment in exchange relationships (Tse et al. 1988, Bianchi et al. 2015, ALHussan et al. 2014). Consequently, GAM interface design is challenged to capture cultural differences and bridge potential hurdles. Evidence for this phenomenon is also provided by Yip and Madsen (1996), who outline that appropriate personnel with the capability to work in and with foreign environments contribute positively to the outcome of GCOs.

The practical impressions gained through the performed interviews are in line with the literature on cross-cultural relationships. All the participants agreed that culture and the cultural background of the GAM representatives is an important factor in determining the Personnel Match at the customer interface:

*Living, understanding and bringing the culture of the guy making decisions on the purchasing side into our organisation is one of the key responsibilities of our GAM interface. There is no better person for the job than someone who speaks the same language, shares the same values and understands the behaviour.*

*Regional President, Study Participant #19*

A powerful example of the importance of the cultural dimension as part of the personnel match is found in the case of a global North American customer overtaken by an Italian company; and the subsequent transfer of purchasing

decisions to Italy. Here, the account manager for the US market had to be replaced by an American-Italian colleague to assure a full understanding of the new, predominantly Italian context. This practical example demonstrates that GAM representatives sharing a similar cultural background with their purchasing counterparts are not only valuable, but should be understood as a prerequisite for efficient customer communication.

In addition to culture, interview research revealed that levels of education impact upon the personal match:

*In this role, it is not necessary to capture each and every technical or financial finesse in detail; therefore we have our engineers and controllers. However as soon as your buyer realises that you lack fundamental knowledge which is required in your area of business, he will nail you down on that.*

*Regional Account Manager, Study Participant #12*

Providing GAM personnel with a similar or higher educational background than their counterparts equalises or improves the supplier's position in negotiations. However, placing a narrow frame around the level of education required in an account manager seems neither feasible nor reasonable due to the specific requirements of the target industry and its market actors. Nonetheless, in their paper on KAM competencies, Millman and Willson (1996) highlight the intention of the UK Sales Qualification Board to come up with a standardised set of capabilities and competencies, the so-called vocational standards, required for Account Management positions. The authors stress that vocational qualifications 'place a heavy burden on both the individual's and employer's ability to articulate the competences they need and to put in place the required procedure' (Millman and Wilson 1996:17) and thereby criticise an 'educationalisation' of the multi-layered field of Account Management. The practical experiences encountered during the interview phase confirm that there is no uniform set of qualifications that enables customer representatives to perform excellently. However, the level of education should be similar or higher than that of the customer's representative because any lack of knowledge will be used against the account manager.

A challenging goal for GCOs is to streamline the group to make it more market- and (especially), customer-driven. Account managers therefore should be ‘highly skilled and competent in the areas of negotiation, managing relationships, finance and marketing’ (Abratt and Kelly 2002:475). In the interviews, the experts agreed that the proper training of the sales staff on relevant customer topics is another important dimension of the personnel match construct. This is in line with literature that highlights the importance of specialised training for salespeople, which leads to the adaptation of the trained strategies in actual sales behaviour and thereby helps the sales staff become more customer-orientated. In this context, Ulaga and Sharma (2001:433) suggest that ‘salespeople need to be trained to perform strategic sales’, which involves training in categorising customers according to their expectations and needs.

The interviewees indicated that most of the participants complete regular courses on organisational topics, such as customer structure and decision hierarchy; product-related topics, to promote new functionalities and deepen technical understanding; legal topics, to increase the understanding of negotiations about contractual and country-specific regulations and cultural themes, to support sensitivity when working with foreign business partners. The training schemes offered by the case study company target and reflect the skills, competencies and attitudes of account managers outlined in Appendix A2.

In addition, the practical experience showed that successful customer organisations also plan workshops with the customer to ensure that both sides are aligned in terms of goals, objectives and strategies. In their research, Shi et al. (2004) demonstrated that global customers also provide specialised training to their suppliers to assure a beneficial partnership. Thus, management should understand the importance of such efforts and provide specialised customer coaching and trainings to support the people who directly interact with the customer.

*Since our central departments started to provide trainings about general customer topics at least once a year, I feel that we become more customer-orientated.*

*Regional Account Manager Study Participant #5*

Taking both the literature and the interview data into consideration, the proposed model argues that from an organisational perspective that includes GAM teams as well as individual account managers, the compatibility of the customer interface can only be assured if the GAM personnel match their buyer in four key dimensions: decision-making hierarchy, cultural and educational similarities, and training in customer relevant topics.

### 5.2.2 Geographical Coverage

Driven by the globalisation of the markets, international customers progressively demand globally coordinated services to support their transnational expansion needs (Montgomery and Yip 2000, Swoboda et al. 2012). Consequently, suppliers who aim to participate in the ongoing race of globalisation must ensure that world-wide, internal coordination structures cover or even surpass the expectations of global accounts (Zou and Cavusgil 2002, Shi and Wu 2011). With regard to customer globalisation and expansion, the Geographical Coverage dimension is based on the major analysis outcomes that describe customer coverage strategies.

Respecting customer coverage, the literature agrees that GCOs require a performant infrastructure (Wilson et al. 2002b, Harvey et al. 2003a, Gao and Shi 2011). As such, the question of the geographical location of account management personnel and central service locations arises. In contrast to Birkinshaw et al. (2001), who claim that GAM units usually mirror global customer structures, the qualitative findings revealed that from a resource perspective, suppliers cannot provide an identical duplicate of the customer set up. This is simply due to the fact that global suppliers most often focus on several global accounts at one time and therefore must locate regional subsidiaries and resources where all of their accounts can be reached in a cost efficient manner:

*We cannot mirror each and every customer within our GAM structures, our overhead would explode. However, we try to bundle competencies in central regions and provide direct contacts in kind of a satellite function at key customer locations.*

*Executive Vice President, Study Participant #21*

Existing research supports the qualitative findings and highlights the importance for global suppliers to provide customer support in the form of operational units or customer representatives in key locations of the global account (Yip and Madsen 1996, Yip and Bink 2007, Shi et al. 2010). Further evidence originated in the interviews:

*The head of purchasing once told me the reason why the guys over there in Detroit like to do business with us: Our Global Footprint. We are where they need us to be.*

*Vice President Sales, Study Participant #10*

Less surprising is the assumption shared by all of the interviewees:

*The head of the GAM interface has to be located close to the decision base of the customer.*

*Global Account Manager, Study Participant #14*

From an internal viewpoint, this enables the GAMgr to react quickly to customer inquiries or issues that require immediate management attention, such as the exclusive promotion of new products or services, global pricing negotiations and international conflict resolution. From an external point of view, Yip et al. (1996) outline the unifying task of providing a coordinating interface at the customer's front door. While the local presence of GAM personnel at key customer locations can be seen as an increased sales effort, thereby making a supplier more competitive in the global market, the absence of this kind of support might be interpreted as lacking supplier commitment (Harvey et al. 2003b) and can therefore hinder the acquisition of new business or even terminate existing business relationships.

Going one step further, in their Global Integration concept Shi et al. (2010) reference Zou and Cavusgil (2002) to indicate how global suppliers 'must follow the global account customer into various countries, to be able to cross-subsidize its operations in some markets with resources generated in others, and respond to competitive attacks in one market by counter-attacking in others' (Shi et al. 2010:627). Here, the authors indicate that in a highly competitive global market,

customer service in an existing location is insufficient and that multi-national suppliers have to be prepared to invest in the relationship by following their customers into undiscovered markets. This indicates that geographical coverage and the willingness and flexibility to follow strategic global accounts supersedes the role of a hygiene factor for customer satisfaction and competitiveness, which is strongly supported by qualitative resources:

*Tell the customer once that you can't or don't want to supply him in a specific region and you'll have a hard time keeping the business. Because there are others out there that can.*

*Global Account Manager, Study Participant #8*

Taking the data from the field interviews and the literature into consideration, it can be concluded that the Geographical Coverage concept includes three elements: customer coverage, the closeness of decision-makers and a willingness to follow global customers into new markets.

### **5.2.3 Internal Support**

Internal support systems for and of GAM organisations are also intensively debated in the literature (Millman and Wilson 1996, Homburg et al. 2002, Workman et al. 2003, Shi et al. 2004) and were featured throughout the interviews:

*As an Account Manager you are at the front line of an intense fight for customer share. If you can't rely on the rest of your organisation to support your activities, you don't have a chance to win anything.*

*Regional Account Manager, Study Participant #16*

The research, therefore, focuses on the recognition, support and acceptance of GAM organisations as dedicated corporate functions. In particular, a considerable number of researchers categorised top management support as a critical success factor for internal as well as external customer-related matters.

For example, Millman and Wilson (1996:330) report that account management is 'a strategic issue and the process should be initiated and overseen by senior

management'. This indicates that high level management must understand the strategic character of GAM as a central, world-wide coordination activity which requires the allocation of sufficient resources and an adequate level of authority. This means that account management resources include all members of a GCO or global account team and the number of hierarchy levels and associates vary considerably across sales organisations (Babakus et al. 1996). A GCO's authority should enable it to coordinate all national activities towards a global scope. However, global account managers often have little direct authority over those in charge of local strategy implementation (Wilson and Millman 2003). Additionally, it is also common for Global Account Management organisations 'not to have direct control over line sales and support people who report to product based or geographically based business units' (Workman et al. 2003:10).

While interviewing experts for the case study it became clear that even within one company, the level of support and the involvement of top management can vary according to allocated resources and decision-making authority. Whereas performant GCOs are not only well equipped in terms of man power and enjoy autonomous decision-making (or at least unlimited senior support), associates of less performant departments complained about staff shortages and little management interest:

*Our executive asks us to increase sales revenue year by year without hiring. We underperform at the moment because new business, new customers only come with a lot of work. So it's a simple equation: Additional headcount equals increased chance to grow.*

*Global Account Manager, Study Participant #1*

The literature completes the practical picture, highlighting that top managers help to encourage cross-organisational responsiveness by demonstrating commitment to GAM organisations (Workman et al. 2003, Atanasova and Senn 2011). In doing so, senior management serves as an enabler for the transition of customer activities from a regional to a global level. Workman et al. (2003) underline the importance of top management support by referencing an empirical study performed by



Jaworski and Kohli (1993), who imply a positive correlation between market orientations and the level of interest from top management.

Another dimension is presented by the direct involvement of top management. Napolitano (1997:5) bridges the gap between TMI and account management, stating: 'Top management must also play a lead role in scouring business unit management support for the programme'. TMI can be described as the extent to which senior management participates in account management activities such as strategy implementation and market orientation (Homburg et al. 2002, Tzempelikos and Gounaris 2013). Through direct communication and personal customer visits by senior personnel, its special status is signalled to the supplier, who in turn appreciates its value and thus demonstrates commitment in the eyes of the customers (Millman and Wilson 1996, Guesalaga 2014). As a consequence, it is expected that the top management of the key account should also demonstrate more involvement and thus intensifies the business relationship (Workman et al. 2003).

The performed field work does not fully support the theoretical views however, revealing a double-edged result with regards to senior involvement. On the one hand there are customers who actively request the attention of senior management and highly appreciate receiving it. Such customers are most often driven by strong hierarchical cultures and structures. In contrast, the heads of various global purchasing departments actively refuse the involvement of senior management to prevent being influenced on sourcing decisions. The intention behind this behaviour is to preclude relational empathy and thereby to base their decisions solely on rational criteria such as price, quality and availability.

Amongst the factors already described, several interviewees mentioned that efficient work is heavily dependent upon internal support from subsequent or downstream functions, such as product development, project management, pricing, manufacturing etc. Considering the boundary spanning role of GAM units (Wilson and Millman 2003), the inner organisational dependency should be clear; however, two issues related to internal support could be determined. Firstly, other

organisational functions do not necessarily concede account management as a direct value creating task while representing and advocating customers internally:

*People think that we don't do anything else except of causing trouble and putting pressure on them because there is, as always, an urgent customer request.*

*Regional Account Manager, Study Participant #9*

Inasmuch as the inner-organisational clientship is often negatively recognised, it should not lead to the opportunistic behaviour of supporting functions. In this context, the literature outlines the importance of entrepreneurial ability as ‘the ability to locate personnel or other resources within the seller firm and deploy them to assist the customer account’ Sengupta et al. (2000:1). Secondly, in another case, the head of a supplier’s engineering department refused to allocate resources to the investigation of technical specifications and feasibility studies necessary for a quotation. As result, the global customer declined further negotiations and sourced a competitor for this specific project. Ironically, after further loss of potential business with other customers, the engineer responsible pushed the Account Manager to re-establish contact with the customer. However, as their sourcing phase was already over, the next opportunity to regain the customer occurred three to five years later. This example demonstrates that insufficient support from downstream departments, which might also arise from a lack of prioritisation, limits the viability of a GAM organisation and thus plays a critical role in the efficiency and success of its operations.

Recognising internal organisational support as a decisive component for the scope of GAM activities and their success, the proposed framework captures several related elements: Top management support, including the allocation of resources and authority; and top management involvement with contact and support from downstream functions.

#### **5.2.4 Process Fulfilment**

In a rapidly changing business environment, process driven structures enable organisations to respond and adapt more quickly to rapidly changing business

environments (Lindsay et al. 2003). By definition, business processes include various dimensions of such purposeful activities, as well as collaboration amongst groups and cross-functional activities, and are driven by outside agents or customers (Ould 1995). From a global customer's perspective the factors considered by Ould (1995) represent elemental operations that affect its global activities.

In detail, processes act as a standardised pattern of the coordination and controlling of all direct and indirect value creating functions along the complete value chain from buying to selling procedures. As a practical consequence, customer business processes have a significant impact on GCOs as they are required to be satisfied on a global basis (Yip and Madsen 1996, Wilson and Weilbaker 2004, Zupancic and Müllner 2008). Going one step further, GAM organisations might even become essential parts of those processes through customer process outsourcing (Homburg et al. 2002). Additionally, account management literature underlines that an important factor in attaining synergy within GAM relationship is the degree to which business processes can be aligned between the two companies (McDonald et al. 1997). Further support for the importance of customer process fulfilment was provided by discussions with the experts. A major proportion of the interviewees particularly pointed out the high process orientation of global customers and the challenges that arise with fulfilment:

*Actually, there is no room for negotiation with our important global key customers. Either you fulfil and support their processes, whether it is disclosing your pricing structure in detail or supporting the customer's IT tools, or you don't even have the slightest chance to close the deal.*

*Executive Vice President Sales, Study Participant #15*

During the qualitative study, a high number of critical customer processes such as quotation procedures, pricing analysis, order fulfilment and customer IT maintenance were identified. Subsequently, the realisation of each of the processes was rated as critical and as having a significant impact on GAM efficiency.

However, categorising each process which is part of the supplier-customer relationship seems neither purposeful nor feasible since each global account has its own specific process requirements. Thus, for the proposed model of the construct of Process Fulfilment, customer processes that require support from GAM organisations were subsumed and categorised into three stages.

Firstly, sourcing processes comprise the front-end of processual barriers by covering all activities that must be completed in order to be considered a potential supplier for a new project. This contains the provision and exchange of all financial and product specific data. Despite the fact that global accounts source suppliers internationally, this can be seen as a cross-functional as well as countrywide task. Thus, GAM organisations have to ensure the information flow reaches all relevant customer functions and that relevant decision-makers can fulfil their internal processes. As an example of complex sourcing processes, one Account Manager described the situation in which technical discussions with engineers from the UK could not be continued before the process for product packaging was approved by logistics experts located in Brazil and pricing information provided within the North American IT tool.

A second recurring topic of the interviews was GAM support during the product / service development phase. Here, the prevailing understanding was that GAM organisations do not have to make sure that development processes are fulfilled from a technical or conceptual perspective but must ensure that issues of timing communications are resolved quickly. GCOs therefore take the role of a silent observer that steps in and assumes control of the project's progress if the schedule is in danger.

Finally, it was identified that a core responsibility of the Account Management unit is the continuous support of customer processes during the series phase. Global customers frequently request updates of their series processes. Series processes are highly critical since they have a direct influence on the customer's output but receive less attention from GAM organisations since process maintenance requires a lot of effort and does not provide additional value. However, global accounts

accurately track the fulfilment rate, which can be part of the supplier's overall quality rating:

*We as Account Managers like to hunt new business that comes with fresh sales revenue but tend to forget about running projects. There are a lot of things customers request us to do over the years; change the packaging, update prices or plan capacities. All of these are parts of customer series processes which we do not get directly paid for. However they rate our fulfilment quantitatively and for being a preferred supplier it is necessary to obtain a high score.*

*Account Manager, Study Participant #12*

In conclusion, the extent to which GCOs are able to fulfil customer processes was identified as an indispensable competence for the successful acquisition of new business and the retention of existing contracts. The completion of all processes relevant to support customer sourcing, development and series phases could therefore be identified as especially critical. As a result, resolving processual issues and fulfilling customer processes in a timely and efficient manner form an important part of the structural fit domain.

### **5.3 The Strategic Fit**

Throughout the whole research process, a relatively high number of study participants indicated that strategic synergy between the supplying and buying companies forms a substantial encounter in the success of global account management activities. As described by a North American sales executive:

*If our strategy was not aligned with our customers' expectations, they wouldn't have any reason to contact us. Therefore, having congruent strategies is one of the most important and critical factors in supplier-customer relationships.*

*Executive Vice President, Study Participant #15*

In addition to the practical relevance identified throughout the qualitative study, the perception of strategic congruence, often referred as strategic fit, also receives frequent attention within account management literature. For example, Richards et al. (2009) define Strategic fit as 'the degree to which the buying and selling firms'

strategies are aligned” (2009:319). Moreover, the authors denote alignment as the fact that both the supplier and customer pursue similar strategies, for example aligned growth and market share strategies. Based on their interviews with KAM personnel, Richards et al. (2009:317) conclude that ‘the greater the fit between their company’s strategy and the buyer’s strategy, the higher the likelihood of establishing an effective relationship’. Again, due to its conceptual character, the researchers do not provide a detailed level of explanation of how the strategic fit domain is constructed in their approach and therefore it cannot be seen as comprehensive.

In this context, Toulan et al. (2006) prove that matching elements of parallel strategies such as the importance of the global customer relationship as well as aligned product and marketing strategies correspond with increased GAM performance. Yip and Bink (2007) support these findings and state that fitting strategies assist the overall scope and long-term perspective of the relationship but do not further specify exact measures. Furthermore, Harvey et al. (2003a) identify strategic fit as a contributor to a higher level of value chain integration between the supplier and global account, thus bridging the identified practical implications:

*You have to imagine that we are at the front-end of a complex value chain. If our portfolio strategy is not in line with what the market asks for, we are incapable of doing anything.*

*Regional Account Manager, Study Participant #11*

Alongside global standardisation fit, global participation fit and coordination fit, the strategic fit paradigm is listed in the purely conceptual model of GAM capabilities and performances developed by Shi et al. (2004). In this case, the strategic fit concept takes a central role, having a direct influence on the GAM performance factors dyadic competitive advantage and joint profit performance.

Corresponding to general agreement that strategic alignment broadly influences GAM relationships, the interviewed experts agreed that GCOs also form the interface crucial to the establishment of such relationships.

*I see it as a crucial GAM task to support the continuous alignment of our companies' strategies by pushing information into our company. But believe me, for us as account managers this is a real challenge.*

*Global Account Manager, Study Participant #20*

With regards to the strategic fit domain, the results of the TA are mostly in line with traditional account management literature, emphasising the importance of the strategic fit concept in global account relationships and outlining the impact of strategic congruence on its performance. These findings are also in line with Porter's (1996) report (1996), which labels 'fit' in strategic terms as fundamental due to both the resulting competitive advantage and its sustainability. He further emphasises this view, explaining that 'it is harder for a rival to match an array of interlocked activities than it is merely to imitate a particular sales-force approach, match a process technology or replicate a set of product related features' (Porter 1996:73).

Nevertheless, the existing frameworks do not fully cover the interview output and thus require modification and extension. As such, a second order construct of three key dimensions: product strategy, market operations and growth alignment was developed and embedded in the research framework. The following sections describe the proposed dimensions in detail.

### **5.3.1 Product Strategy**

One of the strategic key aspects of global account customers can be found in the extent to which they standardise products for different national markets (Levitt 1983, Yip and Madsen 1996, Bartlett and Ghoshal 2002). According to Toulan (2006), there has long been a debate in international marketing about adopting standardisation or differentiation / adaptation approaches. Nevertheless, a considerable amount of the discussion on the proposed strategic paradigms is ongoing. It is argued from a practical, research perspective that large global customers tend to standardise major parts of their global products through the adaptation of platform and modular design principles, as the example of Volkswagen successfully demonstrates. This company uses major, high value car

parts such as engines and chassis, across various models and brands. Differentiation is then achieved by relatively small market-specific adaptations. Fixed costs for the development of an item can thus be spread over a higher output volume and scale effects can be achieved for the purchased components. As a logical consequence, production and development costs are more competitive and global suppliers are challenged to design products and / or services which satisfy customers' standardisation concepts as well as the adaptation of distinct approaches.

In the context of global account management, developing global products and services plays a major role in a supplier's strategy for responding to global customers (Yip and Madsen 1996, Homburg et al. 2002, Workman et al. 2003). Evidence for the importance of customer aligned portfolios is provided by Toulan et al. (2006). Using an empirical analysis of data from 106 Global Account Managers, the authors support the hypothesis that a product and marketing strategy fit between the supplying and the customer companies, positively affects GAM performance.

As part of their theoretical model, Shi et al. (2004) introduce the concept of global standardisation fit. The researchers thereby refer to the extent to which 'the global suppliers approach to standardising its product matches its customer's global standardisation demand' (2004:546). Additionally, Shi et al. (2004) agree with Toulan et al.'s (2006) approach and argue that a match of global standardisation strategies will increase joint performance within the partnership. Consequently, to satisfy increasing customer demand for globally uniform products, the global standardisation fit is understood as an important part of the supplier's product / service portfolio strategy. Their alignment should receive special attention from suppliers and become part of related GAM strategies.

The extent to which international suppliers adapt their product / service portfolio to fit global customers' individual needs also receives attention within customer relationship management (CRM) literature (Chen and Popovich 2003). In this case, the cross-functional integration of CRM systems is identified as a significant facilitator and supporting operation of Account Management activities. In this



manner, the ‘ultimate goal’ of an integrated CRM approach, enabling the exchange of customer information amongst all affected functional units (e.g. sales, marketing, R&D, IT, etc.) ideally results in products and services being tailored to the specific needs and requirements of the individual customer (Ryals and Knox 2001, Ryals and McDonald 2010).

As the outcomes of the template analysis show however, GAM should not only be understood as part of the product-related CRM process. In addition, since GCOs are in constant exchange with their customers, various sensitive tasks concerning the assurance of a high product / service portfolio alignment emerge. These are as follows: deciphering customer requirements and actively driving the vendor’s organisation to adapt its portfolio accordingly. Hence, the empowering of related organisational functions to provide a suitable solution falls under the responsibility of GCOs:

*One of our major tasks is to identify what kind of products our customer needs. But even more challenging is to convince the rest of the organisation to develop something equivalent.*

*Global Account Manager, Study Participant #3*

Moreover, attention was paid to pricing and quality alignment; therefore, both concepts were considered to be part of the Product Strategy dimension:

*Our Global Account Management has to make sure that our product portfolio suits our customers’ expectations in terms of price and quality. Recently we lost a project at one of our accounts to competition because our portfolio did not cover low cost requirements in emerging markets.*

*Regional Key Account Manager, Study Participant #2*

*Nowadays, quality is no subject for discussion anymore, it’s a basic requirement. OEMs simply don’t source you when you are not able to fulfil their quality targets. Nevertheless, it is interesting to see how such requirements might differ. I think that mainly depends on the quality of the final product they want to sell to consumers.*

*We as a supplier have to be aware of that fact and do everything to be aligned here.*

*Vice President Sales, Study Participant #10*

Finally, the concept of a product / service strategy as part of the strategic fit includes proactive measures by the customer which require direct GAM involvement. For example, the identification of future product / service specifications, trends and technologies has to be seen as continuous responsibilities of the account interface:

*Our product portfolio is well aligned to our customers' needs. This has two reasons: First, we provide leading-edge solutions that cover most of the specific requirements and second we try to drive our customers' future product development by actively promoting new technologies before they even thought of it.*

*Global Account Manager, Study Participant #3*

The combination of theoretical as well as practical findings provides valuable insight into product / services alignment strategies which need to be induced and executed throughout global account management organisation. This research has substantial elements of such strategies. The capability of GCOs to direct the alignment of the vendor portfolio strategy towards products and services for the global customer as well as pricing and quality requirements is the first. The second is the identification of future product requirements and finally, the proactive promotion of new technologies.

### **5.3.2 Market Operations**

As part of the strategic fit domain, the analysis of the qualitative data induced the dimension of joint market operations. This concept subsumes cooperative activities which aim to improve competitiveness and foster the GAM relationship, thus increasing joint performance in specific markets which may be the focus of the customers' globalisation efforts.

As it turned out, the participants noted that a predominant element of this concept is formed by marketing activities which address the globalisation strategy of the customer. These were named as an integral part of cooperative market activities and have therefore been included. This means that apart from other functions in the vendor's company structure, GAM departments essentially contribute to a customer-specific marketing concept:

*In our relationship with the global account, we always have to be cautious which markets and technologies are next in the focus of the customers and accordingly extend and align our marketing activities to cover them. Besides our central marketing department who has the global view over all customers, I see our GAM departments being responsible to support each account individually.*

*Regional President, Study Participant #21*

Shi et al. (2004:546) came to a similar conclusion, conceptualising their construct of global participation fit 'as the extent to which both organisations pursue marketing operations in the same major markets in the world'. By referring to Wilson et al. (2002b), the authors furthermore outline the risk of breaking relationships with accounts by being unable to support their globalisation plans. Thus, Shi et al. (2004) highlight the importance of the suppliers' ability to support customers' marketing activities and understand them as part of the globalisation efforts of global accounts.

Another aspect that emerged during the practical research is the joint coordination and realisation of marketing activities which focus on the promotion of new products or technologies in specific markets. The phenomenon of so-called symbiotic or co-marketing has received early attention in marketing literature (Adler 1966, Varadarajan and Rajaratnam 1986) and is commonly understood as mutual, inter-dependent working partnerships. These aim to respectively foster successful practices (Anderson and Narus 1990). However, relatively little attention has been paid to these functions in dyadic account management contexts. This is despite the fact that there is clearly scope for an adaptation with respect to the alliance or partnership characteristics of GAM relationships.

Apart from Yip and Bink (2007), who briefly outline joint marketing agreements in the example of engine and oil companies, GAM literature does not address areas where both partners invest in the relationship by financially supporting joint marketing activities. The practical research implied that GCOs aim at creating market alliances, especially when the new features of a specific product need to be highlighted, in order to increase the sales of both the final product and the part supplied:

*Our company regularly strives for marketing activities together with our global customers to promote new products / technologies in markets where we both as partners see potential for growth.*

*Central Sales Director, Study Participant #6*

Viewing the matter of joint marketing from a different angle, Bucklin and Sengupta (1993:33) affirm that co-marketing alliances ‘have become essential to the introduction of radical technologies facing competition from well-entrenched product standards’. The validity of this assumption is supported by a practical example from the automotive supplier which provided the basis for this research. The company co-promoted its new and revolutionary semi-automatic parking assistance technology through a large-scale demonstration tour of major German cities with one of its main customers. As a result, fitment rates for the new technology increased, which benefitted the supplier as well as the automotive manufacturer:

*We got the feedback from our central sales that we should continue pushing joint marketing activities, since the figures showed that they helped us to penetrate the market.*

*Marketing Director, Study Participant #7*

From the aforementioned practical insights, it can be derived that the capability of GCOs to initiate and pursue joint marketing activities with the customer is beneficial to overall account performance and is thus an important pillar of the joint market operations concept. A further, significant element of this dimension was identified while interviewing the experts in that GCOs are also challenged by the

internal and external coordination of potential supply chain set ups, as highlighted by a global account manager:

*Before we start working on projects with our account that target on specific regions our job is also to evaluate the impact on the complete supply chain and define the most efficient set up together with the customer.*

*Global Account Manager, Study Participant #14*

Supply Chain Management (SCM), as a distinct area of research, has been long in the focus of many academics and practitioners. Characterised by the interaction of processes across organisational and geographical functions (Van Hoek 1998), the focus rests on planning, implementing and controlling instruments for any form of material flow (Council of Logistics Management 1985). In identifying GCOs as functional units at the start of complex supply chains, it is not surprising that account managers' tasks coordinate and align them at a high level. It is therefore stated that the magnitude to which GCOs are capable of discussing SCM related topics and driving customer organisations towards the most advantageous joint solution impacts overall performance and is therefore indispensable.

Evidence from both literature and practical research suggests that the level to which suppliers intend to pursue market-specific operations in cooperation with their global accounts will influence the outcome of the partnership. Correspondingly, the results of this investigation show that several elements should be included within the concept of joint market operations. These are supporting the customer's globalisation efforts by coordinating marketing activities and pushing for and pursuing joint marketing activities to promote new products / services in potential growth areas. As such, these elements comprise a sub-dimension of the supplier's overall strategic fit.

### **5.3.3 Growth Alignment**

The final sub-dimension of the market operations concept was identified as a result of its recurrence in the interview process. It is labelled as growth alignment and describes how growth plans are aligned to the global customer. In this context, the

general consensus during the discussions with the experts was that the alignment of internal GAM planning and target setting with the customer's goals has a positive effect on the scope of the account relationship:

*The more we align our revenue planning to what our customer tells us they do, the more accurate we can plan resources and the more efficiently we can work.*

*Regional President, Study Participant #19*

Further practical evidence of the importance of aligned growth plans is provided by Richards and Jones (2009). In a discussion with a key account manager, the interviewee noted that 'partners with similar growth plans were more eager to keep profits lower in the channel in return for gaining more market share' (Richards and Jones 2009:316). Even if research does not provide a more detailed description of the cited growth plans, the fact that the statement in Richards and Jones' (2009) study is very similar to the information found in the qualitative dataset of this research emphasises the existence and the impact of aligned growth strategies on GCOs. This means that growth alignment can help suppliers to focus on global targets by linking organisational units in a way that enables GCOs and other functions to accomplish GAM tasks collectively:

*In my opinion it is important to see the whole picture. Saying so, our growth targets should first be in line from a global and second from a regional perspective. Thereby we put on the global glasses and steer our GCO toward an overall result maximisation rather than on a regional basis.*

*Global Account Manager, Study Participant #8*

The concept shows similarities to the Global Integration approach by Shi et al. (2010), which indicates that a global perspective brings competitive advantages through cross-country leverages. By referencing Zou and Cavusgil (2002), the researchers also underline the necessity for suppliers to react flexibly to competitors' moves. By cross-subsidising operations in one market with resources generated in others, competitor attacks can be out-leveraged and overall competitiveness strengthened (Zupancic and Müllner 2008).

A final, interesting element of the growth alignment construct was identified by one of the study participants; namely, that aligned profitability targets seem to influence supplier-customer relationships:

*In my experience, internal profitability targets which are somehow in line with what the customer aims for help to create a trustworthy basis for doing business.*

*Regional Account Manager, Study Participant #11*

In summary, the TA results indicate that the extent of growth plan and target alignment between vendor and global customer correlates with the success of the supplier's GAM activities. Consequently, as part of the strategic fit concept, growth alignment comprises an adjustment of market share, turnover and profitability targets on a global as well as regional basis.

### **5.4 The Cultural Fit**

Similar to the forms of inter-organisational relationships discussed above, the interview analysis confirmed an interaction effect between several corporate cultural dimensions and GAM performance. Hence, the cultural fit domain can be understood as a major outcome of the performed study, confirming the knowledge transfer proposed in Chapter 2.4 while addressing the limitations of GAM research highlighted in 2.2.5. More precisely, this domain is based on the reports of a large number of interview partners who verified that global account customers value the cultural compatibility of their (potential) suppliers. They assume that the business relationship has a stronger foundation if both the supplying and customer companies share several similar cultural bases, as this enhances the scope of the relationship and the performance of the account. One of the most critical statements that underline the importance of cultural fit was made by a senior executive:

*That particular customer started to rate us and how we match with their culture in some kind of soft metrics, for example how we communicate and how we say no to certain topics.*

*Executive Vice President, Study Participant #15*

In addition to top management support for the cultural fit concept in GAM relationships, participants from lower hierarchical levels also confirmed rising customer awareness with regards to cultural synergy and linked this phenomenon to the total performance of the GCO:

*Across a large portion of our customers, cultural compatibility, as they call it, currently becomes a hot topic. Don't get me wrong, prices and all the other "hard" facts still count, but if your company is at least not somehow aligned to their cultural profiles, you are going to have a hard time trying to build up sustainable relations.*

*Central Marketing Director, Study Participant #7*

*You just named it; Culture describes the way how we do things around here. So guess what happens if we would do things significantly different than our customers? Exactly, we wouldn't have a single one.*

*Regional Account Manager, Study Participant #11*

Faced with the increased importance of cultural compatibility, it is surprising that the cultural fit domain and similar concepts have received relatively little attention in account management literature. An exception is Yip and Bink's (2007) general article on GAM which provides a short description of the cultural fit concept. The authors state that in addition to strategic and geographical aspects, 'cultural fit, or at least cultural empathy, also matters' (Yip and Bink 2007:107). Moreover it is underlined that working relationships are likely to fail if values and business practices do not match. However, no further explanation of the concept and its elements is provided and so the statement lacks supporting evidence. In comparison, Shi et al. (2004) introduce a similar concept by classifying collaborative culture as a joint investment of global business relationship that supports a generation of above normal profits. However, their description also lacks any in depth clarification of what constitutes a collaborative culture. Likewise, although Jean et al. (2015:553) argue that cultural differences between supplying and buying companies 'can increase key account orientation and shape the



development of IKAM capability in the relationship', they do not further define determine the concept in the context of GAM relationships and therefore fail to establish a link with GAM performance.

Consequently, by bringing theoretical knowledge from supplier-buyer and inter-organisational relationships, strategic alliance and joint ventures as well as M&A literature and the practical insights gained throughout the interviews with the GAM experts, the newly introduced cultural fit domain provides first insights into cultural aspects that influence the performance of global account management relationships. Due to its unique character, the cultural fit domain is understood as a broad concept with four organisational and cultural dimensions: Organisational congruence, adaptability, level of innovation and collaboration. The following paragraphs provide a detailed overview of the composition and key elements of each.

### **5.4.1 Organisational Congruence**

The organisational congruence construct aggregates the extent to which supplying and buying companies share similar cultural aspects. Therefore, the research results indicate a positive link between various critical congruence elements and performance of the scope of the GAM.

For example, one outcome of the interviews is that a common historical background has a positive influence on the supplier-customer relationship, as mentioned by one of the experts:

*Today we are global, however, in the beginning both our companies were founded as family ventures at around the same time. That means that our cultures also developed in a similar manner because we made the same experiences and had the same decisions to take. Today, I clearly see that we go along better with that specific customer in comparison to others. I feel that it is this common historical basis that helps to understand each other better.*

*Regional President, Study Participant #19*

The conceptual framework for organisation culture outlined by Allaire and Firsirotu (1984) indicates that history essentially shapes the culture of a company

and its development. The framework is supported by Beaudan and Smith (2000), who, amongst other factors, define history as a driver of a firm's cultural evolution. Going one step further, in their article on merger and acquisition in accounting firms, Sinkin and Putney (2014) agree that not only does the firm's history influence the cultural transformation of a company, but that the most difficult aspect of merging firms with different histories is acclimatisation. This perspective establishes a link between the history and culture of a company and highlights the potential hurdles of collaboration between two characteristically different companies. Evidence that the degree of similarity between the supplier's and customer's historical development also influences GAM relationships had emerged during the interviews, linking the practicalities of GAM apparent in the dataset with the theoretical and cultural assumptions found in M&A literature. Therefore, it can be shown that organisational congruence forms an essential part of the concept of cultural fit.

Another significant theme that recurred throughout the discussions with the GAM experts was the assumption that aligned or similar corporate values strengthen the relationship of the GCO with the global account:

*You can say it is basically essential that your company's values have to be in line with what the market you're operating in requests - otherwise you can close down your GCO. Besides that, customers like to source suppliers that share their values because they help to support and strengthen their own.*

*Global Account Management, Study Participant #1*

As identified through the template analysis, a relatively high number of interviewees made comparable statements concerning the impact of similarities in corporate values on cooperation with their respective accounts. In a similar manner, Harvey et al. (2003b) highlight the symbolic character of shared values in global account relationships and characterise them as part of managerial competencies for effective GAM supply. Interestingly, regarding collaborative orientation, Shi et al. (2004) describe an equivalent concept in the context of GAM research. It is defined as 'a set of more fundamental values, beliefs and mind-sets that are likely to

constantly reinforce the focus on a high level of cooperation and influence the two involved parties'. The researchers point out that collaborative orientation can be understood as 'why things happen the way they do' in GAM, thus establishing a link with inter-organisational climate, as understood by Schneider and Rentsch (1988).

The fit of values takes an analogous role in M&A literature. While Lodorfos and Boateng (2006:1411) found that 'differences in core values between two merging organisations create an uncertain situation...', Cartwright and Cooper (1993) recommend being aware of procedures and values which serve as a basis for behaviour practices, as this helps organisations avoid potential cultural incompatibility and thus increases the possibility of a successful merger. Placing their focus on strategic alliances, Sakar et al. (2001) report similar findings and stress the fact that philosophies, goals and values are not only compulsory but also form a crucial prerequisite for successful partnering.

In addition to corporate values, several interviewees stated that there might be a link between performance on an account and similarities of the customer company's form. To be more precise, some experts argued that a matching company form (e.g. LLC, Corp., Inc. or others) positively influences the relationship between supplier and customer:

*There is another point to make: We are not listed at the stock market and I experience that with customers which are also not owned by shareholders we have a more productive relationship.*

*Regional Account Manager, Study Participant #9*

As this phenomenon has yet to be described in either GAM literature or culturally orientated research fields, it possesses a certain level of novelty. Nevertheless, this concept was included in the organisational congruence dimension because a certain importance was given to the effect of formal analogy in a GAM relationship:

*What differentiates us from most of our competitors is that we are a global LLC. This comes with a lot of advantages when dealing with customers that operate in a*

*similar manner. Yet, we struggle in dealing with more aggressive customers, which are often driven externally.*

*Global Account Manager, Study Participant #17*

A further element of the organisational congruence construct that arose while performing the TA is that hierarchical aspects that influence the decision-making processes from inside account management or purchasing organisations have an impact on their joint relationship. In this context, corporate culture literature identifies hierarchical structure as attributes that shape the individual culture of a company (Handy 1976, Schein 1988, Hofstede et al. 1990, Deshpandé et al. 1993, Carmazzi 2007) and subsequently establish a direct link to the cultural fit domain. Hierarchal structures and their impact on the decision-making processes were discussed by one of the first study participants at an early research stage.

*Our executives are often involved in our sales activities because our company has a strong hierarchical structure and thereby a lot of processes have to be approved. However, I feel that based on this fact, especially with customers that do not share this hierarchical approach and have more decision power in lower levels, we struggle in building up efficient relationships. More hierarchically oriented customers understand and particularly request such procedures.*

*Regional Account Manager, Study Participant #2*

Supporting theoretical evidence for the results can be found in Sharma's (1997) research paper on customers who prefer account management programmes. Sharma argues that "decision-makers are more likely to accept evidence that matches their own decision-making style, while subjecting nonmatching evidence to critical valuation" and concludes that "business customers develop preferences for the type of sales organisations with whom they would like to interact" (Sharma 1997:28).

In summary, the key facet of this finding describes the fact that matching hierarchy structures and the extent to which they influences decision-making, has an effect on the performance of an account management relationship.

Complementary to the hierarchical aspects previously outlined, the TA furthermore revealed that the majority of GAM experts who were interviewed also identify a matching degree of centralised coordination as an important aspect for achieving congruence between the business partners, thereby increasing relationship efficiency and performance. This means that the interviewees named the level of centralised coordination and the resulting fit as the extent to which negotiation, pricing, supply chain and development activities are performed on a global basis, thereby fulfilling global customers' centralisation requirements:

*We pursue global alignment with our prices, products and manufacturing grids. Therefore we need to be centrally coordinated since all our regional activities have to be in line with these global targets. And as we are operating in a global market, almost all of our customers follow the same strategy. This gives us a real advantage over a lot of our competitors.*

*Vice President Sales, Study Participant #14*

Similarly, Toulan et al. (2006) hypothesise and confirm that the fit of either centralised or decentralised activities at the interface between vendor and customer firstly depends on the requirements of the global customer, and secondly comes with increased GAM performance. By using Xerox as a practical example in their conceptual GAM research, Shi et al. (2004) follow the same argument and highlight that symmetry in sourcing structures improves exchange decisions at the point of contact. However, in comparison to Toulan (2006) and Shi (2004), who characterise the decentralisation and centralisation fit discussion as one of a structural nature, the coordination fit is herein categorised as a cultural element due to the fact that amongst other characteristics, the level of centralisation can be understood as an indicator of the cultural orientation of a company (Lievens et al. 2001).

Overall, the analysis of the qualitative dataset subsumes five cultural elements that correlate with the level of congruence between the supplying and buying organisation with an effect on the performance of the relationship. In summary, the organisational congruence concept covers historical similarities, shared values,

similar company type, the extent of hierarchical decision-making and the level of centralisation.

#### **5.4.2 Adaptability**

There is common agreement amongst scholars that customer-specific adaptations are risky and require certain investments and flexibility, but if performed properly, promote trusting, long-term relationships that outperform competitors (Boon and Holmes 1991, Deshpandé et al. 1993, Denison and Mishra 1995, Wilson 1995). Hence, it is surprising that the interviewees reported a limited willingness by suppliers to adapt to their customers' operations. The study participants agreed that global customers frequently request adaption to their working processes but find little or no support from the supplying organisation. At this stage it has to be mentioned that the company in the focus of this research has had GAM structures in place since the early 1990s. Therefore, it can be assumed that the structures and processes in place have been developed over two decades and are firmly anchored, rather than flexible. One of the interviewees highlighted this dilemma and outlined the consequences of this lack of adaptability for account managers:

*For me as an account manager it's seems like a never-ending fight against structural and procedural rigidities. Especially this customer is very flexible in the way how they operate and things might change very fast. Sometimes I'm a bit afraid to communicate this internally because I already know that the answer will be no - we never did it this way and we won't change right now. So, on the one side I should support the acquisition of new business, but on the other side the organisation ties my hands together. The results are unnecessary iterations, which cost time and more importantly trust in our competencies.*

*Account Manager, Study Participant #12*

The practical insights mainly confirm Workman et al.'s (2003) research findings which indicate that the formalisation of account management activities has a negative influence on KAM effectiveness. Consequently, researchers assume that 'having a formalised programme can impede flexibility and the ability to customise offerings to specific customers' (Workman et al. 2003:14). Conversely, the

framework for value creation through customer relationships developed by Walter and Ritter (2003) uses empirical evidence to underline that customer-specific adaptations have a positive influence on customer trust and commitment and thus on direct as well as indirect value-creating functions.

The link between adaptability and the overall performance of a company has also been intensively discussed in corporate cultural research. A widely cited work on organisational culture and performance by Kotter and Heskett (1992) outlines the influential relationship between adaptability and the performance of a company. The authors found that especially in fast changing business environments, high performing companies are often more able to adapt to new external conditions than less performant organisations. The presented qualitative study reveals support for Kotter and Heskett's (1992) indication, as illustrated by one of the interviewees:

*It's interesting, because with regards to adaptability I also see differences within our company. The business units that deal with the more traditional business and have long-time customers became a bit lethargic and resistant to change. In comparison, the "younger" business units, they are way more adaptive, mainly to the fact that their markets are also transforming rapidly.*

*Vice President Sales, Study Participant #10*

While examining the interrelation of organisational culture and effectiveness, Denison and Mishra (1995) identify adaptability as the ability of a firm to adapt to changes in the external environment and amongst other factors, find a positive link with this adaptability and the overall performance of a company. By referencing publications from Starbuck (1971) and Kanter (1984), the authors also highlight the critical character of adaptability and state 'that an effective organisation must develop norms and beliefs that support its capacity to receive and interpret signals from its environment and translate these into internal cognitive behavioural and structural changes (Denison and Mishra 1995:215). Additional evidence for sustainable business strategies through external adaptation is provided Deshpandé et al. (1993) as well as by the practical research results:

*Our culture is strong, but was not competitive enough. However, this is changing at the moment; we become faster and more flexible in our structures because external pressure from the market increases noticeably.*

*Global Account Manager, Study Participant #14*

Based on the practical insights and theoretical evidence outlined, it is assumed that adaptability and the extent of adaptability enacted in response to requests by customers and markets influences the success of GAM activities. In addition, the majority of the experts interviewed take the position that, independently of the degree of formalisation, adaptability is a prerequisite for the implementation of customer-orientated organisations:

*I guess that our KAM structures and systems are well-organised and can be seen as best in class. Nevertheless, we have to continuously adapt ourselves to new market conditions or competitors to maintain that status.*

*Regional Account Manager, Study Participant #5*

The fact that adaptability is a frequently discussed cultural dimension supports the results of the template analysis and thereby suggests the inclusion of adaptability into the cultural fit domain.

### **5.4.3 Level of Innovation**

The level of innovation construct encompasses both individual characteristics and attributes that underline the extent of perceived innovation of the GAM partners. By examining the literature, it transpires there is an infinite number of definitions with regard to innovation.

Organisational innovation, as it is commonly understood today, often leads back to Thompson's (1965:2) early definition which highlights innovation as 'the generation, acceptance and implementation of new ideas, processes, and products or services'. The author thereby focusses on the newness of organisational operations. Drawing on this explanation, the extended and more detailed definition of innovation introduced by Damanpour (1996) has found wide acceptance



amongst scholars as it adds the element of change to Thompson's earlier approach. Damanpour (1996:694) argues that: 'Innovation is conceived as a means of changing an organization, either as a response to changes in the external environment or as a pre-emptive action to influence the environment. Hence, innovation is here broadly defined to encompass a range of types, including new product or service, new process technology, new organization structure or administrative systems, or new plans or program pertaining to organization members'.

Several studies with respect to innovation literature have revealed that innovation capability is strongly related to the firm's overall performance (Calatone et al. 2002, Mone et al. 1998, Cooper and Kleinschmidt 1987). It is also suggested that companies must be innovative in order to gain competitive advantages (Li and Calantone 1998) and thus survive in the long-term. A large number of statements given by the interviewees agree with the theoretical implications of this argument and further indicate the market-driven character of innovation:

*One of my biggest fears is that one day, our competitor develops something that is way more superior than what we have, because then, we are not innovative anymore.*

*OEM Sales Manager, Study Participant #4*

Considering the critical nature of innovation and its link to company performance it is less surprising that innovation is also an intensively discussed subject in cultural research. For example, Hurley and Hult (1998:51) identify that 'the innovativeness of a group's culture has a significant and positive effect on innovative capacity'. Furthermore, the researchers found a direct influence on the firms' overall performance and outline the significance of the two constructs of corporate culture and innovation. This perspective was mirrored in the interviews:

*Every part of our culture is based on values which are built on innovation. We aim to provide cutting-edge technologies. The market demands and expects that.*

*Executive Vice President, Study Participant #21*

Weber and Tarba (2012) link M&A processes to underline how managers with a strong orientation for innovation and dynamic activity encourage rapid response to changes and competition in the outside environment.

In accordance with the fact that GAM structures demonstrate innovative customer relationships and sales strategies and are therefore often seen as a prerequisite for competitive advantage, again, it is surprising that the role of innovation as a critical determinant of successful business models has found relatively little attention in the context of account management. While Yip and Madsen (1996) note that GAM systems support customers (particularly in countries that lead in innovation) by affording it special attention, Harvey et al. (2003b) point out that GAM activities facilitate the management of suppliers' flexibility, capacity for innovations and relational capability for global accounts. Although there seems to be some limited evidence for the influence of innovation in Account Management activities, further clarification remains unclear. Therefore, the results of the template analysis suggest a strong connection between the level of innovation of each of the GAM partners and the efficiency of the business; a relationship which can be seen as comparatively new:

*Innovative customers search for suppliers who can support the pursuit of innovation and innovative suppliers search for customers that appreciate new ideas and technologies.*

*Global Account Manager, Study Participant #3*

This expert indicates that the level of innovation in a supplier-customer relationship should be equal on both sides to fulfil and satisfy the requirements of both partners. This suggestion receives further support from the example of another participant who directly connects congruent innovation levels to the performance of the GCO:

*Our customers see themselves as highly innovative companies. If we are not at eye level with regard to innovation and thereby cannot keep up to their speed, we would not have any chance to win a project.*

*Regional Account Manager, Study Participant #12*

Encompassing the theoretical concepts and practical findings, it is assumed that similar levels of innovation are a fundamental basis for successful business relationships and consequently impact on account performance. Therefore, based on O'Reilly et al's (1991) innovation scale, the dataset was coded and integrated in the final template. In this way, the construct confirms its role as one of the key dimensions of the cultural fit domain.

### **5.4.4 Collaboration**

As Anderson (1995:348) argues, 'the essential purpose for a customer firm and supplier firm engaging in a collaborative relationship is to work together in ways that add value or reduce cost in the exchange between firms'. While simple account management efforts first serve to explore opportunities for closer collaboration through the identification of motives, culture and concerns of the account (Dwyer et al. 1987, Millman and Wilson 1995, Lambe and Spekman 1997, McDonald et al. 2000), intensive GAM relationships are seen as the outcome of enhanced collaboration based on increasing involvement and relationship complexity (McDonald et al. 1997).

As a function of this fact, enhancing and facilitating inter-organisation collaboration is a key task for GCOs and has an inevitable influence on GAM relationships (Shi et al. 2004). Similarly, Harvey et al. (2003a:565) go one step further and associate the intensity of the collaboration between suppliers and customers with 'the account manager's capability to understand and capitalise on the unique and valuable attributes of the global account structure'.

Consequently, it is less surprising, that collaboration, as a further sub-dimension of the cultural fit domain, has emerged during the interviews. To be more precise, the majority of the interviewed GAM experts agreed that interceding and moderating collaborative tasks between supplier and customer is a challenging but essential effort for GCOs.

*Besides all that operational work, we constantly have to bring the key players from our and the customers' company at one table so that they can talk and solve issues.*

*Let me tell you that this is not always the easiest job to convince people to work together and especially in the same direction.*

*Regional Account Manager, Study Participant #16*

Current account management literature supports the view of the experts and connects the degree of collaboration or cooperation to the scope and performance of the relationship (Harvey et al. 2003b, Pardo et al. 2006, Atanasova and Senn 2011, Ashill et al. 2013). However, the available articles fail to provide details as to which elements influence collaboration in GAM relationships. Furthermore, the proposed interrelations do not take into consideration the fact that the degree of aspiration of a collaborative relationship may vary significantly according to the background and culture of the business partners. Nevertheless, the results of the interviews allow the suggestion of such a correlation.

As a practical example, the general extent of restrictions regarding information sharing and processing regulations within both companies is strongly related and contributes to the cultural orientation of a company. As outlined by one of the GAM experts:

*In terms of collaboration, it is our heterogeneous culture that hinders us from being even more customer-orientated and performant. We want to provide and protect information at the same time, and exactly that doesn't work.*

*Regional Account Manager, Study Participant #5*

Theoretical support for the interrelation between cultural orientation and the willingness to share information or knowledge is provided in the literature (Denison and Neal 2000). As the results lead to the assumption that congruent information sharing patterns can be seen as partly influenced by corporate cultural aspects, they were included in both the collaboration dimension and the cultural fit domain.

In addition, a common consensus amongst the interviewees was that a central issue of any relationship that deals with financial transactions is the persistent fear that one party is trying to take advantage of the other. To address this issue with regards

to collaboration, the key element that found frequent use during the interview was transparency. Thereby, the experts underlined that the trust of the (potential) business partner could be gained by reaching a certain level of transparency.

*Customers demand full transparency in all of our activities. It is difficult, because in some critical areas we are still very conservative. Nevertheless, we are working hard in following this request and get rewarded with trust.*

*Global Account Manager, Study Participant #20*

Hence, it is argued that providing a certain level of transparency, e.g., in the supply chain, product development, product pricing and strategic decisions fosters the collaborative orientation of the business relationship. However, at this point, the content of the interviews clearly shows that transparency should not be understood as unilateral, but as a mutual construct. Based on the qualitative findings, it can be expected that similar transparency attributes affect GAM relationships:

*We have one global account who frequently tells us that we are not transparent enough in our processes. To be honest, this might be true, but simply due to the fact that he isn't transparent at all. Other customers confirm and appreciate our transparent set up, because here we are on an equivalent level.*

*OEM Sales Manager, Study Participant #4*

A final collaborative component that arose during the template analysis is fairness. As identified throughout the field research, a direct link can be drawn between fairness in the way a company operates and its culture:

*The founder of this company realised in early days that fairness, internally and externally, is the foundation for sustainable business. Today, fairness belongs to our core values and we let our customers know this.*

*Executive Sales, Study Participant #18*

The qualitative findings further show that perceived fairness from both the supplier and the customer contributes to, and supports the scope of joint activities:

*One of the key elements of our successful long-term relationship is the way we treat each other fairly.*

*Global Account Manager, Study Participant #13*

*If at the end, either we have or our account has the feeling that the deal is not equally beneficial, the relationship will definitely suffer over the long-term.*

*Regional Account Manager, Study Participant #11*

Similar interrelations between fairness and the strength of supplier-customer relationships have been described by Dwyer et al. (1987). The researchers consider justice in interaction activities that are indispensable to developing trust between business partners. With regard to the supplier's trustworthiness, Anderson and Weitz (1989) highlight that suppliers with a reputation for fair treatment engender greater trust and expectation of continuity, thereby underlining the critical nature of trust for successful GCOs.

By subsuming collaborative processes, which as it transpired are generally mediated by the cultural orientation of a company, the concept of collaboration including the elements of conflict resolution, information sharing, transparency and fairness, forms a vital part of the cultural fit domain and can be classified as indispensable for any successful business relationship.

## **5.5 GAM Performance**

Measuring the performance of GCOs is a multifaceted task that has received much attention in previous GAM research. By drawing on the performance effect related to the implementation of GAM programmes, Montgomery et al. (2000) suggest customer satisfaction, revenues and profits as suitable indicators of GAM performance. However, due to missing responses, the authors used only a single overall performance indicator and did not evaluate the comprehensive measures individually. Furthermore, Birkinshaw et al. (2001) identified efficiency and sales growth as well as partnership with the customer as two different measures of account performance; the former includes quantitative measurements, such as growth in sales or cross-selling into customer divisions, while the latter highlights

the qualitative characteristics of a GAM relationship, such as joint innovation projects with the customer or the creation of long-term relationships. In the same vein, Homburg et al. (2002) also provide a distinct view of GAM performance through introducing KAM effectiveness, performance in the market and profitability as suitable performance indicators. While the first takes into account relational or qualitative aspects that improve relationship outcomes with key customers, the latter describes more financial or quantifiable outcomes.

Similarly, by determining the effect of several GAM team dimensions on GAM performance, Atanasova (2007) clearly distinguishes between relational and financial GAM performance. In so doing, she builds on quantitative and qualitative elements of former research and provides empirical evidence for the separate existence of both performance constructs. Moreover, the researcher also establishes a link between the two dimensions and outlines a positive impact of relational on financial performance. This procedure is in line with the research of Gao and Shi (2011) who also focus on distinct financial and relational performance measurements.

The practical insights reveal that the GAM experts agree with what has been written in the literature so far. Broad support was especially found for the fact that it is not purposeful to either take purely quantitative (financial) or purely qualitative (relational) performance measurements into consideration when measuring the overall performance of GCOs. Consequently, both measurement types have been included in the final template. In addition, the results further highlighted the direct influence of relational performance on financial performance and thus confirmed previous KAM and GAM research (Workman et al. 2003, Jones et al. 2009, Atanasova and Senn 2011):

*In terms of sales performance measurement, executives tend to focus on financial aspects such as sales or profitability only. But especially with regard to our global customers this view is out of date. These customers assess the relationship with us on a global basis and any dissatisfaction has a direct impact on future business and thus on future sales.*

*Executive Vice President Sales, Study Participant #18*

Summing up the theoretical as well as practical implications, this research takes relational as well as financial performance dimensions into consideration to evaluate the impact of structural, strategic and cultural fit domains. Furthermore, the a positive influence of relational on financial performance is indicated.

## 5.6 The conceptual GAM Performance Model (GPM)

Considering the extensive discussions with the experts, the results of the template analysis and the complementary outcomes of the literature review it is to be expected that the three main domains, structural fit (STRUFIT), strategic fit (STRAFIT) and cultural fit (CULTFIT) influence relational GAM performance (RELPER) as well as financial GAM performance (FINPER). Moreover, it is anticipated that FINPER is positively influenced by the scope of the relationship with the global account, RELPER. Based on these assumptions, a comprehensive conceptual GAM performance model (GPM) was developed. As demonstrated in Figure 11, this includes all domains, dimensions and elements that had emerged through prior analysis. For better readability and to avoid repetitive discussion, Figure 12 provides a compact illustration of the model:

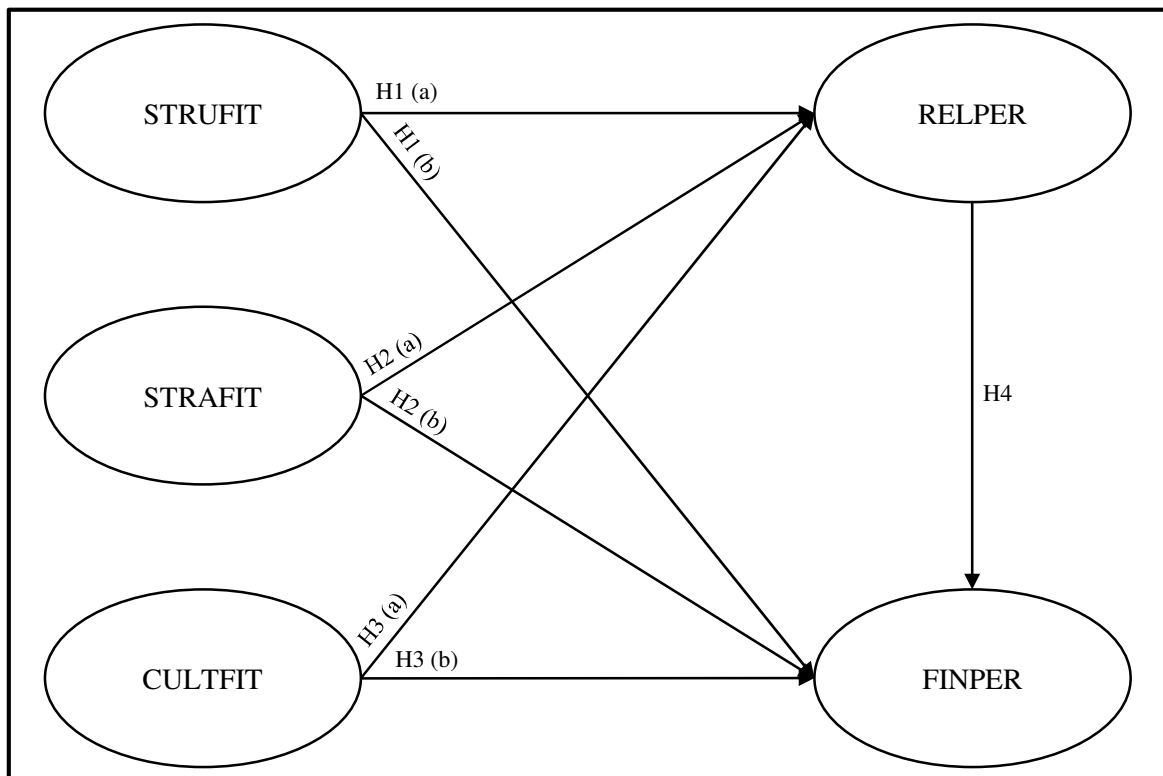


Figure 12: The conceptual GAM Performance Model (GPM)



### 5.6.1 Hypotheses

As indicated in Figure 12, the conceptual GPM comprises four major hypotheses, empirically tested in this research.

***Hypothesis 1:*** The structural fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM performance.

***Hypothesis 2:*** The strategic fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM performance.

***Hypothesis 3:*** The cultural fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM Performance.

***Hypothesis 4:*** Relational performance has a positive effect on financial performance.

## 6 Quantitative Research and Data Collection Methodology

As part of research *Phase 3*, this chapter covers and justifies the selected quantitative research and data collection methodology.

### 6.1 Theoretical Background

While qualitative research offers an effective way of generating theory by providing the researcher with a unique perspective on the phenomenon of interest, the generalisation involved is commonly seen as an issue (Johnson and Onwuegbuzie 2004). Consequently, the most appropriate method for testing the proposed hypotheses was a mixed-methods research design, presented in Figure 9 which applies more statistical and diversified methods. Quantitative measures effectively supplement and extend qualitative findings by classifying the impact and strength of the previously identified dimensions as well as correlations between them (Johnson and Onwuegbuzie 2004). Standardised procedures therefore eliminate the confounding influences of the many variables and thus assess cause and effect relationships independently of the researcher's own perception of the phenomenon, resulting in more significant research results.

Within empirical research, surveys represent a popular instrument for collecting and analysing quantitative data in political science, psychology, sociology and especially business management and marketing (Babbie 1990). A research paper by Rindfleisch et al. (2008) examined 636 empirical articles published in the journal of Marketing Research from 1996 to 2005 and found that almost 30 percent (178) are supported by survey research. Much of the available literature in culture research is based on Hofstede's (1980) pioneering survey. His major study of 110,000 questionnaires from IBM employees in 53 countries not only opened a new research area, but also laid the foundation for the use of survey research in organisational culture. Finally, traditional (global) account management research on drivers and performance (Montgomery et al. 1999, Workman et al. 2003), organisational GAM design (Birkinshaw et al. 2001) and customer-supplier fit (Toulan et al. 2006) demonstrate the intensive and well-established use of surveys in the field of GAM research. Collectively, these studies outline and emphasise the

critical role of surveys as a part of research strategy in the areas of interest; therefore, a survey was selected as the instrument of choice to test the qualitatively developed framework and the corresponding hypotheses.

## **6.2 Survey Design**

As well as being the focus of many researchers, survey research design subsumes various strategies with the aim of answering the researcher's questions and / or testing previously developed hypotheses. (Dillman 1978, Babbie 1990, Fowler 2014). In particular, Pinsonneault and Kraemer (1993) point out that survey research can be used for three main reasons: exploration, description and explanation. While the first two approaches discover or respectively describe occurring phenomena, the explanatory study approach deals with cause and effect relationships between a set of variables considering pre-defined populations. Since interview research has already severed to hypothesise causal dependencies between various structural as well as strategic dimensions of global account management and established the link to corporate culture, the proposed study aims to describe the theorised interrelations in more detail and thus has a descriptive character. As such, a first step of the design process was to decide between a cross-sectional or longitudinal approach. The majority of existing studies in survey research have typically focused on classic cross-sectional analyses (Robson 2002, Easterby-Smith et al. 2012), where data is collected at one single point of time and does not take future events into consideration. In an analysis of over 200 mixed-methods social science articles, Bryman (2006) notes that cross-sectional approaches predominate, and Rindfleisch et al. (2008) note the same for marketing.

However, cross-sectional studies are often criticised for their snap-shot nature which is said to ignore the dynamic nature of the external environment (Flint, Woodruff and Gardial 1997), thus possibly overlooking relational data across time and only capturing an average effect (Palmatier 2008). Nevertheless, as access to potential study participants and their availability is generally limited and the focus of the research was to test GPM in a relatively closed time frame, the cross-sectional approach was seen as appropriate for safely examining and potentially

generalising the study findings while complying with the time and financial constraints of this PhD project.

As another critical issue in survey design is defining the unit of analysis (the unit, group or individual in the focus of the observed phenomenon and whereof statements are made), the logical next step of the design phase was to do just that. According to Pinsonneault and Kraemer (1993), cross-sectional surveys involve a clearly defined unit of analysis appropriate to testing the research hypotheses. This required the careful selection of potential participants to achieve homogenous testing results. The emphasis of this research clearly predefined the focus on global customer organisations. As found during the interviews with the GAM experts, functional units are generally represented by relatively few employees, or even one-man departments. Consequently the defined unit of analysis comprises any individual who represents or is part of a GCO.

The final decision was whether a single-company research with a homogenous group of participants, or a multi-company survey including various companies and industries, would be more advantageous. GAM literature usually includes large-scale surveys of several companies. For example Montgomery et al. (1998) received responses from 165 companies and Birkinshaw et al. (2001) analysed 16 different firms. Following this approach, Homburg et al. (2002) contacted more than 200 German and 100 US firms for their study. This method can be explained by the relatively high N required to test and verify quantitative models and the relatively low number of account management related information available in one company.

The fact that the conceptional GPM is based on a single case study and therefore only generalisable to a limited extent provided the decisive argument for completing a multi-company / multi-sector survey. Hence, the criteria for triangulation and generalisability of the results, as outlined in 4.3.3, can be fulfilled. The proposed amalgamations of the structural, strategic and cultural fit domains are assessed, their influences on GAM performance (also outside the automotive

supply industry) tested and, thus, the validity and credibility of the complete research project is ensured.

### **6.3 Online Survey**

The choice to use [www.questionpro.com](http://www.questionpro.com) as the host for the survey, thereby transferring the data collection method to an online-based service, was mainly determined by the survey design described in the previous sections as well as various benefits over other methods. Firstly, due to recent technological advances, geographical boundaries no longer limit the range of potential participants. The speed and global reach of internet-based questionnaires allow interaction with respondents independent of geographical location (Evans and Mathur 2005). Secondly, due to the nature of the account management task, potential respondents are often busy with important customer concerns and may also be traveling at the time of the participation request. In comparison to telephone surveys for example, online tools provide a certain level of convenience and flexibility since respondents can choose when they respond and even take a break during the process if necessary (Hogg 2003). Moreover, mobile devices such as laptops, smart phones and tablets, which allow immediate responses, are the standard working equipment of account managers. Thirdly, it is more likely that the targeted informant personally responds to the survey. Paper surveys can be answered by secretaries or assistants, but most users read and answer their e-mails, and consequently the survey invitation, themselves (Witmer et al. 1999). Fourthly, technical opportunities allow online tools to be designed in a way that respondents must respond to every question, ensuring a complete data set. Finally, standardised and established designs and formats render data entry and analysis relatively simple for both respondents and researchers. The potential limitations of online surveys, such as being perceived as junk mail (Bannan 2003), a lack of experience with internet applications, compatibility issues, unclear instructions (Ray and Tabor 2003), privacy and security concerns, and low response rates (Sheehan and McMillan 1999) were addressed during the design process of the online questionnaire.

## 6.4 Questionnaire Design

Data collection was performed using an electronic multi-item survey questionnaire. Unlike the semi-structured interview guideline presented in section 4.3.1, survey questions require precise definition before data collection (Saunders et al. 2009) to preclude potential ambiguities, uncertainties or misunderstandings. Moreover, as self-administrated questionnaires offer only one chance to collect the desired data, all questions must be directed towards the research objectives and thereby the research aim. In this context Foddy (1994:17) argues that ‘the questions must be understood by the respondent in the way intended by the researcher and the answer given by the respondent must be understood by the researcher in the way intended by the respondent’. Consequently, questionnaire validity and reliability were maximised by following the best practice design procedures recommended in the literature (Saunders et al. 2009, De Vaus 2002, Dillman 1978). Thus, it was ensured that the questionnaire addressed the objectives of the survey and the overall research. The survey results are used to relate to and build on the concepts of the qualitative study; hence the survey has a descriptive character and a four stage design was the preferred choice for the study:

(1) Existing concepts and scales similar or applicable to this research were identified by carefully rereviewing the literature. Through the adoption and adaptation of such, the existing concepts were tailored to the purpose of the questionnaire. In this way, focussing on the grouping and combination of existing scales would exactly fit the areas of interest: culture and GAM.

(2) As the literature review of the cultural fit concept in GAM revealed, these perspectives have yet to be covered in terms of scales and measures. Therefore, the development of reliable scales and measures was supported by various professors and research students. The use of comprehensible terminology as well as a clear structure was also a basic prerequisite, whereby various revisions and modifications of the wording as well as the structure of the new elements helped in designing questions familiar to the respondents.

(3) The design process included a review of the questionnaire and the new scales developed especially for the project by three global account managers who had previously participated in the interviews. Since all three GAMgrs were native English speakers, the comprehensibility of the GAM specific terminology and the appropriateness of the language could be tested. As a result minor amendments and corrections were implemented.

(4) The last stage was the transformation of the raw questions into a credible and appealing layout. Since personalisation for each respondent was simply not possible due to the number of potential participants, a general and neutral layout was chosen. Particularly as the survey was performed in a business environment, special attention was given to a professional appearance. For that reason, the structure of the questionnaire includes an introduction that informed the respondent about the time required and the scope of the survey.

Based on the literature and survey research standards, questions were grouped in sections and followed a logical sequence to avoid consistency bias effects. More precisely, the main section was broken down into the four domains of interest starting with the independent variables covering structure, strategy and culture, followed by the outcome section including the performance predictors. At the end of the questionnaire, participants were asked to provide some personal information, which provided control variables and potential clusters for the analysis. Furthermore, an open question allowed participants to provide information that they considered important but which was not covered by the questions.

Finally, following Dillman's (1978) and Nulty's (2008) recommendations for increasing response rate, a formal invitation to participate in the study was sent. This included background information about the research and the researcher, information concerning the confidential treatment of the input provided and an incentive in the form of a lottery entry where participants could voluntarily leave their e-mail address to win one of 10x USD 20\$ Amazon gift vouchers. The final versions of the invitation, cover letter and questionnaire are provided in Appendices B1 and B2.

## 6.5 Variable Operationalisation

Traditionally, measure development includes the use of original and borrowed, modified or unmodified scales (Churchill Jr and Peter 1984). To reduce the risk of using inadequate measures, most of the scales used in the questionnaire were based on established scales taken from the literature and adapted to GAM. However, due to the new nature of the cultural fit concept in account management, commonly used GAM scales had to be adapted to fit the cultural research and cultural items, coming for example from the merger and acquisition field. In this context, Churchill and Peters (1984) conclude that scales borrowed from other domains did not have higher reliability scores than those that were newly developed for a specific marketing application and therefore legitimise the *modus operandi*.

There has been a lengthy debate in the literature over the optimal number of scale points used in questionnaire based research (Cox 1980, Friedman et al. 1981, Garland 1991). While various authors concluded that the use of scale categories depends on the content of the research, Østerås et al. (2008) demonstrated, with their randomised comparison of four- and five-point scales, that higher internal consistency and validity can be achieved through the implementation of the latter. The use of such is also common practice in GAM research (Sengupta et al. 2000, Toulan et al. 2006, Atanasova 2007) and therefore is seen as the best fitting measurement instrument for the dependent and independent variables in this survey.

The literature suggests that a high number of items per factor positively influence the replication of such (Little et al. 1999, Velicer and Fava 1998). Especially when developing new measurement scales, the number of items plays a crucial role; consequently, it should be high enough to ensure maximum reliability and validity (Raubenheimer 2004). Following recommendations for scientific scale development, scales consist of a minimum number of three items. The complete conceptual GPM, as presented in Figure 13: The complete conceptual GAM Performance Model (GPM), serves as a starting point for the conceptualisation of the related variables.



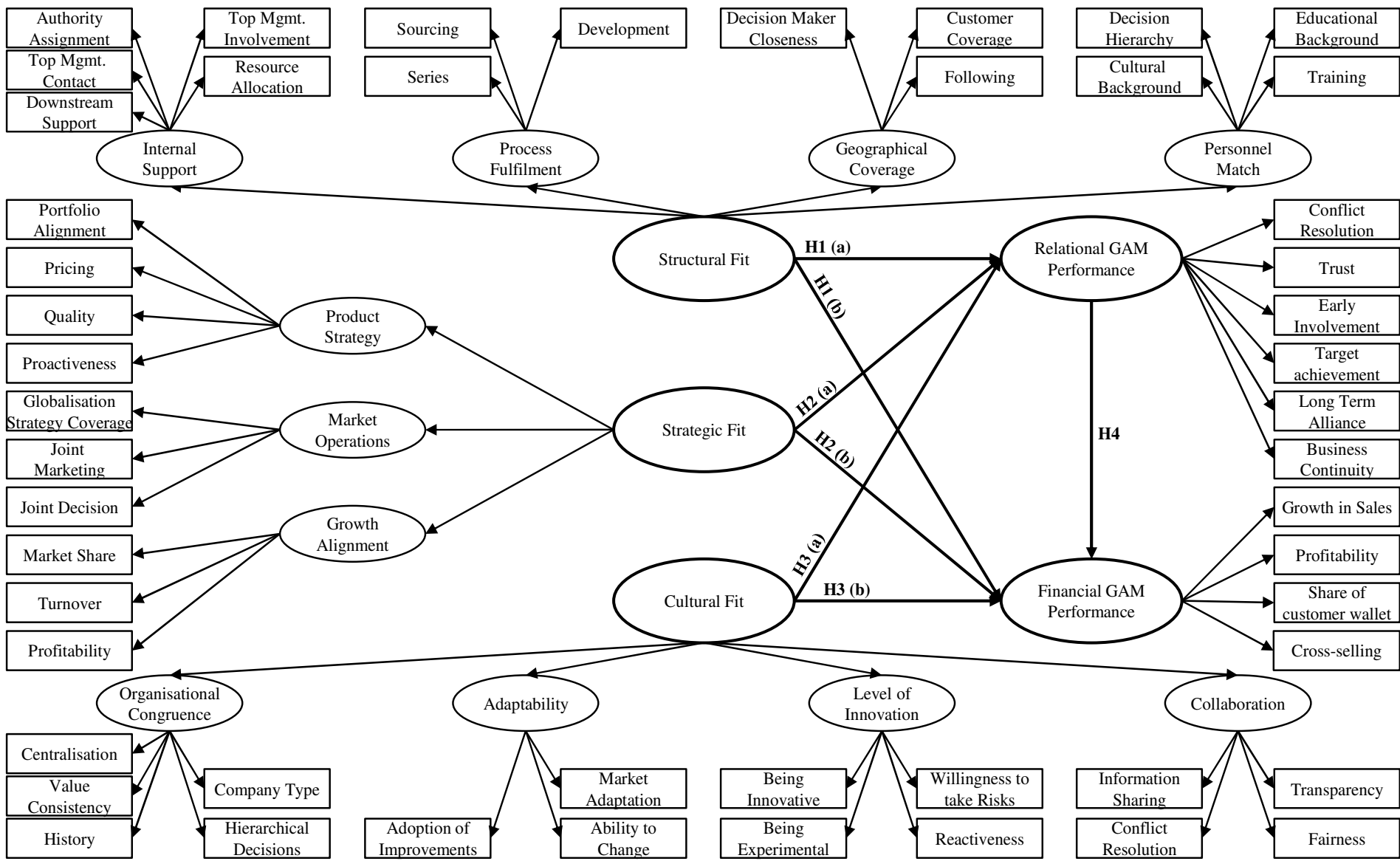


Figure 13: The complete conceptual GAM Performance Model (GPM)

### 6.5.1 Independent Variables

The conceptual global account management performance model (GPM) introduced in section 5.6 includes three reflective second order constructs: structural, strategic and cultural fit, which directly influence the relational and financial performance dimensions.

Beginning with the first, the hypothetical structural fit (STRUFIT) domain consists of four reflective first order variables: personal match (PERMAT), geographical coverage (GEOCOV), internal support (INTSUPT) and process fulfilment (PROFUL).

Personal match measurement is a newly developed four item scale including the following items: <sub>(PERMAT\_1)</sub> ‘The decision-making hierarchy of our global account management (GAM) organisation matches our global customer’s purchasing organisation.’; <sub>(PERMAT\_2)</sub> ‘The people in our GAM organisation share a similar cultural background with their counterparts on the customer side.’; <sub>(PERMAT\_3)</sub> ‘... share a similar educational background with their counterparts on the customer side.’; <sub>(PERMAT\_4)</sub> ‘... are trained well in customer-related topics (organisational, product, financial, legal, cultural topics).’

Geographical coverage consists of three items and includes elements of Shi et al’s (2010) and Zou and Cavusgil’s (2002) global and organisational integration measurements: <sub>(GEOCOV\_1)</sub> ‘Our GAM organisation has representatives at all major customer locations.’; <sub>(GEOCOV\_2)</sub> ‘The head of our GAM organisation is located close to the decision base of the global customer.’; <sub>(GEOCOV\_3)</sub> ‘We do business with our global account customer in whatever country the global account wants to do business.’

The measurement of internal support was realised with a five item scale mainly adapted from Atanasova’s (2011) top management support dimension and Toulan et al.’s (2006) executive support fit. To examine whether the participants focused on the questionnaire or performed random answering, <sub>(INTSUP\_2)</sub> is negatively phrased and <sub>(INTSUP\_5)</sub> includes a newly developed item. The INTSUP items are: <sub>(INTSUP\_1)</sub> ‘Our Top Management assigns sufficient resources to our GAM

organisation.’; (INTSUP\_2) ‘... is not actively involved in GAM activities and does not support project acquisitions.’; (INTSUP\_3) ‘... assigns sufficient decision-making authority to our GAM organisation.’; (INTSUP\_4) ‘... has developed strong relationships to its counterparts on the customer side.’; (INTSUP\_5) ‘Downstream departments (i.e. Engineering, Project Management, Controlling, Pricing, Manufacturing) support our GAM activities.’

A newly developed three-item scale serves to examine process fulfilment: (PROFUL\_1) ‘Our GAM organisation is able to support our customer’s sourcing processes.’; (PROFUL\_2) ‘... to support our customer’s product / service development processes.’; (PROFUL\_3) ‘... to support our customer’s processes during series production / service delivery.’

The next second order construct, strategic fit (STRAFIT), encompasses product strategy (PROSTR), market operations (MAROPE), and growth alignment (GROALI).

To measure product strategy, a four-item scale was derived comprising items adapted from Toulan et al.’s (2006) marketing strategy fit as well as newly developed items: (PROSTR\_1) ‘Our GAM organisation drives our product / service portfolio strategy towards the requirements of our Global Customer.’; (PROSTR\_2) ‘Our product / service pricing meets our customer’s cost targets.’; (PROSTR\_3) ‘Our product / service quality meets our customer’s quality targets.’; (PROSTR\_4) ‘We actively identify future product / service requirements and promote suitable solutions for our Global Customer.’

The market operations measurement includes three items and is based on Shi et al.’s (2004) conceptual global participation fit, Yip and Bink’s (2007) strategic fit and a newly introduced item: (MAROPE\_1) ‘Our world-wide marketing activities cover the globalisation strategy of our customer.’; (MAROPE\_2) ‘In our partnership with the customer we pursue joint marketing activities to promote new products / services for target markets.’; (MAROPE\_3) ‘... we develop market-specific decisions (i.e. Localisation of manufacturing, supply chain set up, etc.) together.’

The growth alignment scale consists of five items and is newly developed based on the conceptual work of Richards and Jones (2009): <sub>(GROALL\_1)</sub> ‘The growth plan of our Global Account Management organisation is in line with our customer’s global planning... in terms of market share.’; <sub>(GROALL\_2)</sub> ‘... in terms of turnover.’; <sub>(GROALL\_3)</sub> ‘The growth plan of our regional subsidiaries is in line with our customer’s regional planning... in terms of market share.’; <sub>(GROALL\_4)</sub> ‘... in terms of turnover.’; <sub>(GROALL\_5)</sub> ‘The profitability targets of our Global Account Management organisation are in line with our customer’s targets.’

Finally, the last latent construct, cultural fit (CULTFIT) consists of four constructs: organisational congruence (ORGCON), adaptability (ADAPTA), level of innovation (LVLINN) and collaboration (COLLAB). Since cultural aspects can only be accurately provided by members of the respective cultural community, most of the questions consider the view of the supplier as well as the customer organisation, GAM personnel being in the unique position to provide both. On the one hand, it is assumed that the internal perspective is clear. On the other hand, it is assumed that members of GCOs can provide a valid customer perspective since they constantly interact with the customer and can accurately decipher core strategies, structures, objectives and values as well as serve as a representative of such within the supplying organisation. Based on Toulan et al.’s (2006) approach to measuring ‘fit’ with regard to global account management, most items were built on the absolute value of the difference between the supplier and customer perspective.

To capture organisational congruence, a special four-item measurement scale was developed by taking structural elements from Toulan et al.’s (2006) fit approach into consideration: <sub>(ORGCON\_1)</sub> ‘Our company shares a similar historical background as our customer’s company.’; <sub>(ORGCON\_2)</sub> ‘... builds on the same corporate values as the customer.’; <sub>(ORGCON\_3)</sub> ‘... type is similar to our customers (e.g. LLC, Inc., Corp.).’; <sub>(ORGCON\_4)</sub> ‘(1) Our company / (2) our customer is strongly driven by hierarchical decision-making.’; <sub>(ORGCON\_5)</sub> ‘(1) Our company / (2) our customer is centrally coordinated.’; The items <sub>(ORGCON\_4)</sub> and <sub>(ORGCON\_5)</sub> were measured by taking the absolute difference (0 = exact fit, 4 = total misfit) of the two corresponding

questions and transforming them into the five-point Likert scale ( 0 = exact fit → 5 = highest rating ; 4 = total misfit → 1 = lowest rating).

Denison and Mishra (1995) provided the basis for the adaptability scale consisting of 3 items: <sub>(ADAPTA\_1)</sub> ‘(1) The way our company / (2) our customer operates is difficult to change.’; <sub>(ADAPTA\_2)</sub> ‘(1) The way our company / (2) our customer operates allows rapid response to competitors.’; <sub>(ADAPTA\_3)</sub> ‘Recommendations for improvements in the business relationship often lead to changes in (1) our organisation / (2) the customer’s organisation’. Again, <sub>(ADAPTA\_1)</sub> was negatively coded to facilitate the detection of unengaged responses. The adaptability construct also followed the calculation methodology of <sub>(ORGCON\_4)</sub> and <sub>(ORGCON\_5)</sub>.

The level of innovation scale was adopted from O’Reilly et al.’s (1991) four-item innovation scale: <sub>(LVLINN\_1)</sub> ‘(1) Our company / (2) our customer recognises itself as an innovative company.’; <sub>(LVLINN\_2)</sub> ‘(1) Our company / (2) our customer is open to experiment with new ways of doing business.’; <sub>(LVLINN\_3)</sub> ‘(1) Our company / (2) our customer is willing to take risks.’; <sub>(LVLINN\_4)</sub> ‘(1) Our company / (2) our customer reacts quickly to take advantage of upcoming opportunities.’

Finally, an adapted four-item scale including conflict resolution (Van der Post, de Coning and Smit 1998), supportiveness (Sarros et al. 2003), fairness (Wallach 1983) and transparency (Mackenzie 1995) comprise the collaboration measure in a cultural frame: <sub>(COLLAB\_1)</sub> ‘(1) Our company / (2) our customer intends to quickly resolve conflicts with our customer / our company.’; <sub>(COLLAB\_2)</sub> ‘(1) Our company / (2) our customer shares sufficient information to do business.’; <sub>(COLLAB\_3)</sub> ‘(1) Our company / (2) our customer ... provides a high level of transparency when doing business.’; <sub>(COLLAB\_4)</sub> ‘(1) Our company treats our customers fairly / (2) our customer treats its suppliers fairly.’ The items were again calculated as the transformation of the absolute difference between answers (1) and (2).

### **6.5.2 Dependent Variables**

Requesting performance measures for objectives such as revenue, turnover, profitability or sales growth of the GAM organisation did not seem purposeful within the business environment for several reasons. Primarily, it is not assured that

potential participants have the required data. This might lead to an incomplete submission of the questionnaire or termination of the response process. Moreover, most companies are not willing to provide this information to external individuals due to the sensitivity of the data and confidentiality restrictions within the company. Therefore, subjective measures capturing performance at the customer interface were applied. Various authors focused on this issue have correlated subjective and objective measures of company performance such as sales growth, market share and profitability (Hart and Banbury 1994, Covin et al. 1994, Dess and Robinson 1984). In comparing six studies that focus on the association of both types of performance measurement, Dawes (1999) highlights two with significant correlations, three that found no correlation and one with only a weak correlation. Subsequently, the researcher derives that ‘the substantive implications of this body of research appear to depend heavily on the validity of subjective performance measures’ (Dawes 1999:3). To be in line with this suggestion, pre-existing and validated subjective performance measurement constructs were used whenever possible.

### **(1) Relational Performance**

The scale composition by Atanasova (2007) derived from Birkinshaw et al. (2001) and Homburg et al. (2002) to rate relational performance was used and extended with the elements relationship continuity approach developed by Shi et al. (2010). The construct consists of 6 items covering: <sub>(RELPER\_1)</sub> ‘Our GAM organisation is able to resolve disagreements quickly’; <sub>(RELPER\_2)</sub> ‘The customer trusts in our GAM organisation’; <sub>(RELPER\_3)</sub> ‘The customer involves our GAM organisation in early product development stages’; <sub>(FINPER\_4)</sub> ‘Our GAM organisation meets its targets and objectives’; <sub>(RELPER\_5)</sub> ‘Our relationship with the Global Customer is a long-term alliance’ and <sub>(RELPER\_6)</sub> ‘It is very unlikely that we will continue the business relationships with our Global Account in the future’. Item 6 is negatively phrased to facilitate the analysis of unengaged responses.

### **(2) Financial Performance**

Similar to Relational Performance, an adapted and extended four-item scale, based on Atanasova’s (2007) configuration which included efficiency and sales growth

elements by Birkinshaw et al. (2001) and performance components by Homburg et al. (2002), was used to measure financial aspects. Participants were asked to rate the development of their GAM organisation over the last 3 years with respect to <sub>(FINPER\_1)</sub> ‘...Growth in sales’, <sub>(FINPER\_2)</sub> ‘... Profitability’, <sub>(FINPER\_3)</sub> ‘... Share of Global Customers budget’ and <sub>(FINPER\_4)</sub> ‘... Cross-selling into various divisions of the customer’. As a rating scheme, a five point Likert scale with values ranging from 1 (poor) to 5 (excellent) was applied.

### **6.5.3 Control Variables**

In addition to the independent and dependent variables, the questionnaire included seven socio-demographic company and individual control variables (CONVAR). These were designed to measure the characterisation of the respondents and their corresponding GCOs and thereby allow group based analysis of the results. All control measures consist of single items: <sub>(CONVAR\_1)</sub> ‘In which type of Industry are you working?’, <sub>(CONVAR\_2)</sub> ‘How many people work in your Account Management organisation?’, <sub>(CONVAR\_3)</sub> ‘What is the approximate annual turnover with your specific Global Customer? (in mio. \$ USD)?’, <sub>(CONVAR\_4)</sub> ‘What is your position in your company?’, <sub>(CONVAR\_5)</sub> ‘How many years of experience in the area of Account Management do you have?’, <sub>(CONVAR\_6)</sub> ‘What is your gender?’.

In addition to the control questions, the online questionnaire host provided the possibility to identify from which region the respondents logged into the survey. <sub>(CONVAR\_0)</sub> captured and subsumed this information on a continental basis.

## **6.6 Pilot Testing**

Pilot- or pre-testing the questionnaire before initialising the data collection procedure is often interpreted as an absolute necessity (Warwick and Lininger 1975) and therefore also played a central role in this study. Self-administrated questionnaires especially require this form of systematic pre-check since the researcher is usually absent at the moment of data collection. The overall aim of the pre-test therefore was to identify weaknesses and potential sources of problems that could affect interpretability and subsequently the accuracy of the analysis process and results. It is suggested to test the questionnaires within the population focus of

the research. Though time was limited, the pilot-test included a combination of professional GAM personnel, university staff and students. Finally, the test sample comprised Eight Account Management professionals, 11 research students and 28 international students of Business Management and other related fields. Following Bell's (2010) suggestions for performing pre-tests, the following framework was developed and applied and the resulting implications adopted for the final version of questionnaire:

**Introduction, instruction and layout:** All testers confirmed that the introductions as well as instructions of the questionnaires were clearly defined. Furthermore, the testers confirmed a professional layout, an important criterion for the credibility of the study in a business environment.

**Structure:** Another important characteristic of a good questionnaire is a logical order of questioning. Professional testers in particular provided the feedback that the questions should be grouped according to their place in the research model. This resulted in a structure that was easier to understand. In addition, the suggestion by a fellow researcher that the control questions be moved to the end of the questionnaire, as this type of question requires less concentration, was implemented.

**Comprehensibility:** As the term global customer organisation (GCO) reportedly caused some confusion amongst practitioners who were not native English speakers, it was replaced with the expression 'GAM organisation' for the purpose of the online survey. Furthermore, to ensure that all potential participants provided their answers on an equal basis, a short briefing including definitions of GAM organisation and global customer / global account was provided.

The feedback concerning the comprehensibility of both the questions and the overall research aim was mainly positive, and no major ambiguities could be identified. With regards to the newly developed scales and items, some minor adaptations had to be made to maximise the understanding of the core of the questions. Besides content-relevant feedback, native English speakers supported the elimination of spelling mistakes and grammar issues.



**Time to complete questionnaires:** The pre-test revealed that the average time to complete the questionnaire was about 18 minutes. For a study in a business environment, this was inadmissibly long. As a result, the introduction was shortened and the wording and the form of the questions compressed. Furthermore, all control questions were changed from open to closed questions, giving the participants a pre-defined selection. A second trial run with 1 professional and 3 independent students showed the average time for completion was reduced to 13 minutes, which, according to the feedback from the professional, was within the acceptable range.

**Compatibility of Hard- and Software:** To make sure that participants were able to provide their input regardless of whether they use a PC, Tablet or Smartphone, various compatibility checks, including different internet browsers, were conducted. As a result, the colour of the survey START button was adjusted since the lighter tone was not visible on all devices, creating potential confusion. As a last step of the pilot testing procedure, the data output was loaded into SPSS and AMOS to ensure that it formed a valid basis for the data analysis.

## **6.7 Sampling and Realisation of the Survey**

As with the selection of interview partners for the qualitative study, the sampling of potential study participants followed a purposeful approach. As noted in section 6.2, the survey design was planned for a multi-company / multi-sector environment, which caused some challenges in the selection of potential participants.

The preferred data source was identified as being participants from global suppliers who are completely dedicated to the GAM role and do not undertake other functions within the company to eliminate cross-functional influences. For that reason, only companies employing more than 500 employees were approached. Moreover, no country restriction was applied for two reasons: to achieve the highest possible mix of international participants and their unique knowledge and to achieve data diversification and thereby exclude country-specific cultural aspects. Additionally, the main business sectors with GAM structures in place were

identified via the screening of existing GAM literature.

Finally, by using the most common job descriptions and applying the sample criteria summarised in Table 10, 6,502 potential respondents were identified using internet search engines, conference lists and business and social networks. The response rate for this cold approach was estimated within the range of 5%.

Criteria	Measurement	Application
1	Size of company	<ul style="list-style-type: none"> <li>• &gt; 500 employees to eliminate cross influence if GAM personnel undertake additional functional responsibilities.</li> </ul>
2	Location	<ul style="list-style-type: none"> <li>• World-wide, all continents</li> </ul>
3	Types of industries	<ul style="list-style-type: none"> <li>• Manufacturing &amp; Engineering</li> <li>• IT</li> <li>• Finances &amp; Insurances</li> <li>• Service</li> <li>• Others</li> </ul>
4	Job Description	<ul style="list-style-type: none"> <li>• Global Account Manager</li> <li>• Regional Account Manager</li> <li>• Key Account Manager</li> <li>• (International) Sales Executive</li> <li>• (International) Sales Director</li> <li>• (International) Sales Representative</li> <li>• Customer Relationship Manager</li> <li>• Customer Responsible</li> <li>• Marketer</li> </ul>

**Table 10: Survey sampling criteria**

After a final test of the online tools, the e-mail invitation was sent from an official university e-mail account to all 6,502 potential respondents on Monday the 24<sup>th</sup> of February 2014. Reminders were sent on the 3<sup>rd</sup> and 17<sup>th</sup> of March, and the study was taken offline on March 28<sup>th</sup>, 2014.

## 7 Quantitative Data Analysis

This section describes the analysis of the survey data. Derived from Atanasova's (2007) quantitative data analysis and evaluation sequence in combination with Gaskin's (2012) recommendations for structural equation modeling (SEM)

procedures, the nine step analysis layout presented in Figure 14 found application in this work:

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**Figure 14: Quantitative data analysis layout (based on Atanasova (2007) and Gaskin (2012))**

First the composition of the sample was analysed and discussed. Second, a screening of the information to eliminate potentially corrupt data sets was performed. Third the data set was checked for non-response as well as common method bias. In a fourth step, on the basis of inter-item correlation and coefficient alpha, the reliability of the variables was assessed. Fifth, exploratory factor analysis (EFA) determined the correlations between variables in the dataset, statistically addressing the dimensions identified throughout the single case study research. Sixth, confirmatory factor analysis (CFA) was used to confirm the factor structure extracted during the EFA. Seventh, a one-way analysis of variance (ANOVA) was performed to compare low and high performing GCOs. Eighth, structural equation modelling (SEM), more precisely path analysis, helped to examine causal relationships in the proposed model. Finally, an analysis of the effect size of individual structural, strategic and cultural dimensions on the two GAM performance indicators closed the testing and evaluation of the GPM.

## 7.1 Sample Composition

As outlined in 6.7, a total of 6,502 survey invitations were sent out to potential participants, of which 1,082 e-mails could not be delivered due to incorrect or outdated addresses, resulting in a total of 5,420 transmitted invitations. After sending out two reminder e-mails, the sample finally included 207 completed questionnaires ( $N = 207$ ). This resulted in a response rate of around 4%, slightly less than, but almost in line with, the expected 5%. Investigation of sampling magnitudes in other GAM studies, Senn and Arnold (1999b) ( $N = 200$ ), Montgomery et al. (1999) ( $N = 191$ ), Wilson et al. (2000) ( $N = 159$ ), Birkinshaw et al. (2001) ( $N = 106$ ), Atanasova (2007) ( $N = 273$ ), Shi and Wu (2011) ( $N=203$ ), Swoboda et al. (2012) ( $N=172$ ), Jean et al. (2015) ( $N=243$ ) showed that the number of complete questionnaires is fully in line with best practice research.

The geographical tracking tool of [www.questionpro.com](http://www.questionpro.com) disclosed that 114 respondents were located in Europe, 43 in North America, 14 in Latin America, 29 in the Asian-Pacific region and 7 in other regions which could not be clearly specified. Figure 15 illustrates the distribution of the respondents by region and shows that the sample represents a global view predominated by participants in Europe. A possible explanation is that the research base was located in Europe, and therefore participants from Europe were more inclined to participate.

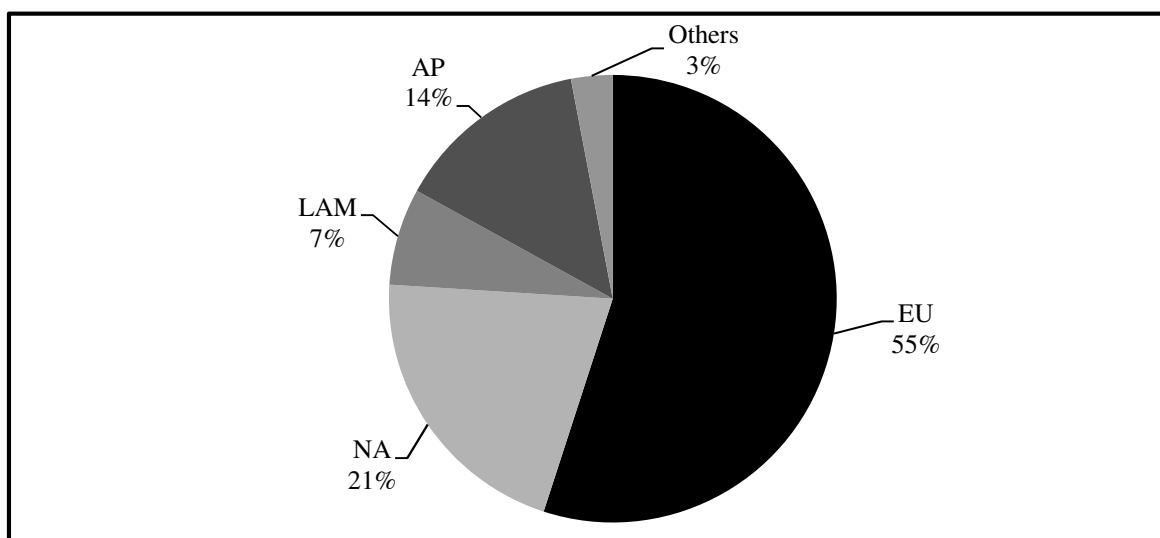
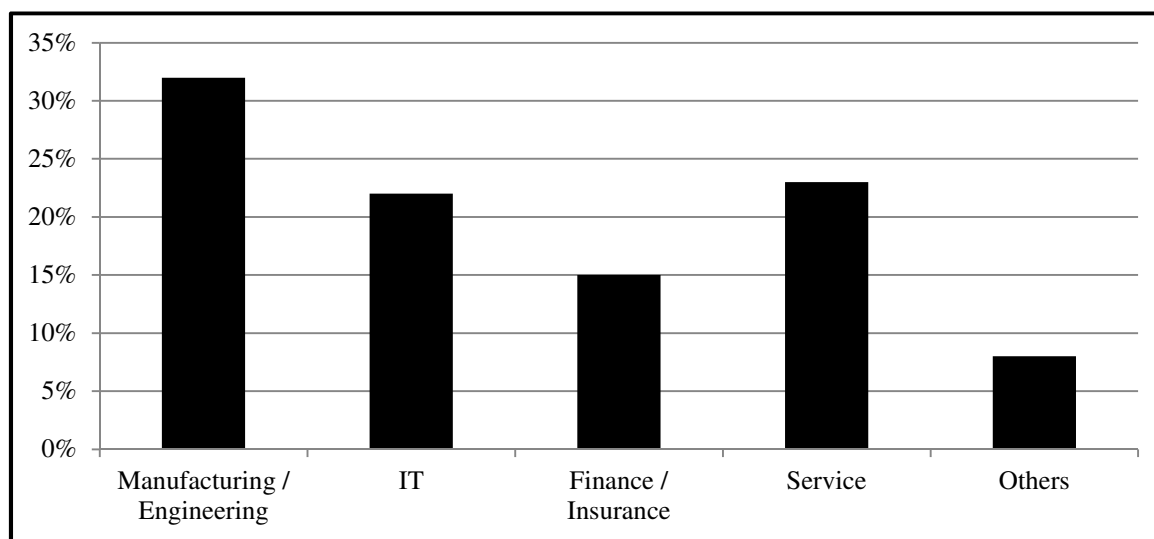


Figure 15: Respondents' distribution by region

A closer look at industry distribution amongst the sample population unveils a balanced picture. As indicated in Figure 16, the largest proportion of participants (32%) is responsible for accounts in the manufacturing / engineering sector. Service is the second largest represented segment (23%) along with IT (22%). Representatives of the finance / insurance sector contributed (15%) to the overall sample. A small number of respondents (8%) performed customer activities outside established GAM sectors.

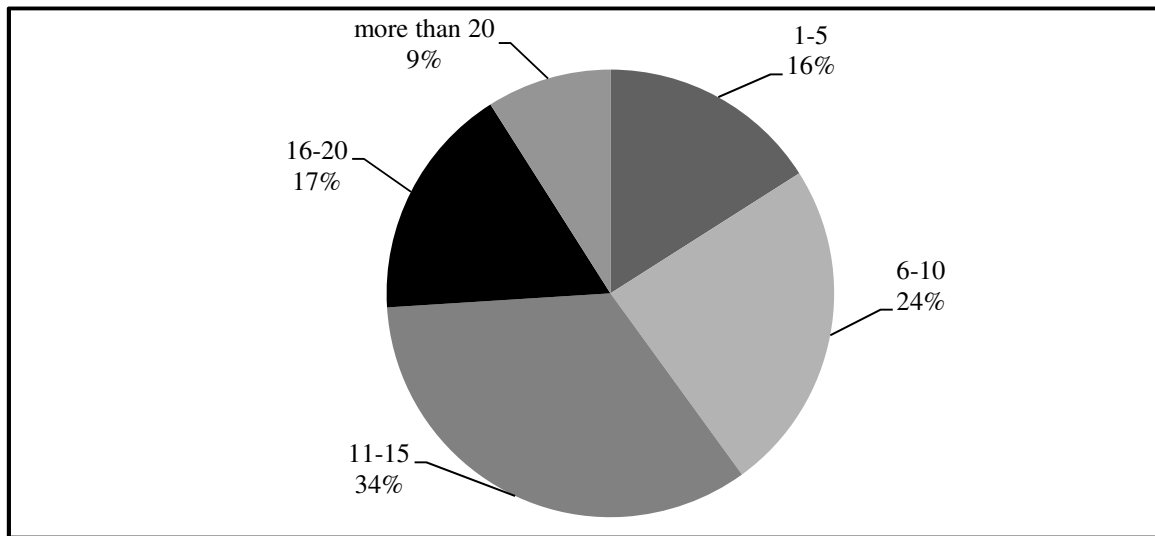


**Figure 16: Respondents' distribution by industrial sector**

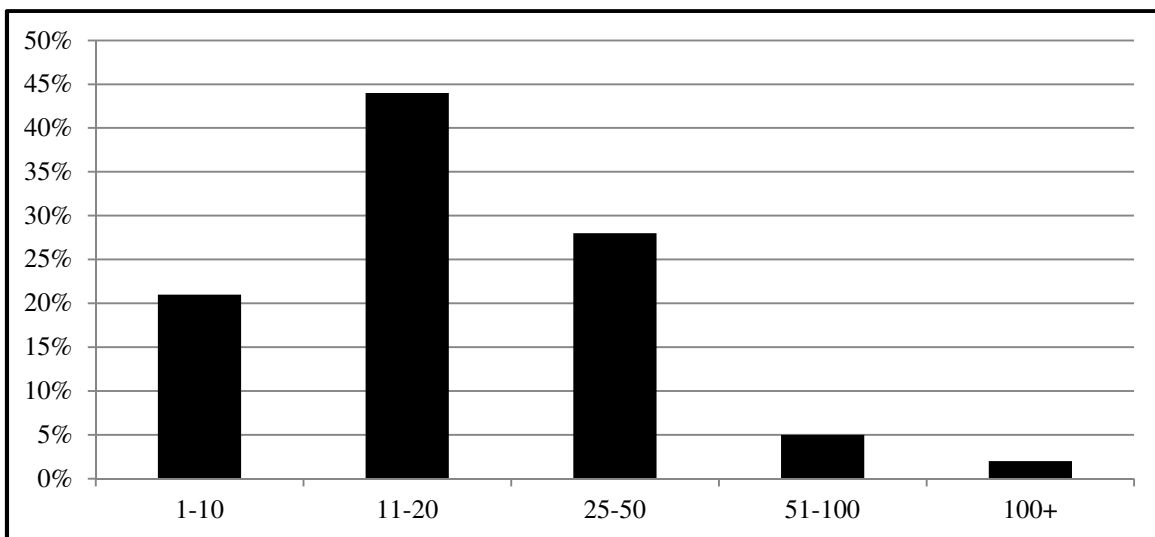
The majority of the sample belonged to customer organisations with 11-15 employees (34%), followed by 6-10 (24%) and 16-20 (17%). Respondents from smaller groups, with 1-5 members, contributed to around 16%. Figure 17 highlights the relatively sparse representation of large customer organisations with more than 20 employees (9%). Interestingly, 40% of the participants work in GCOs with a size of 1-10 people. This fact underlines the assumption that dedicated customer organisations still form a relatively small part of the company's overall assets.

The distribution of turnover generated within the respondents' customer organisation is demonstrated in Figure 18. The largest proportion of the sample is represented by medium sized GCOs that generate 11-20 million USD (44%) and larger accounts with 25-50 million (28%). GCOs that manage smaller shares of customers' budgets account for 21%. Only a few of the GCOs investigated in the study generate more than 50 (5%) or 100 million (2%) in turnover. Altogether, the

majority of the study sample consists of small-medium sized GCOs, who generate 1-50 million in turnover.

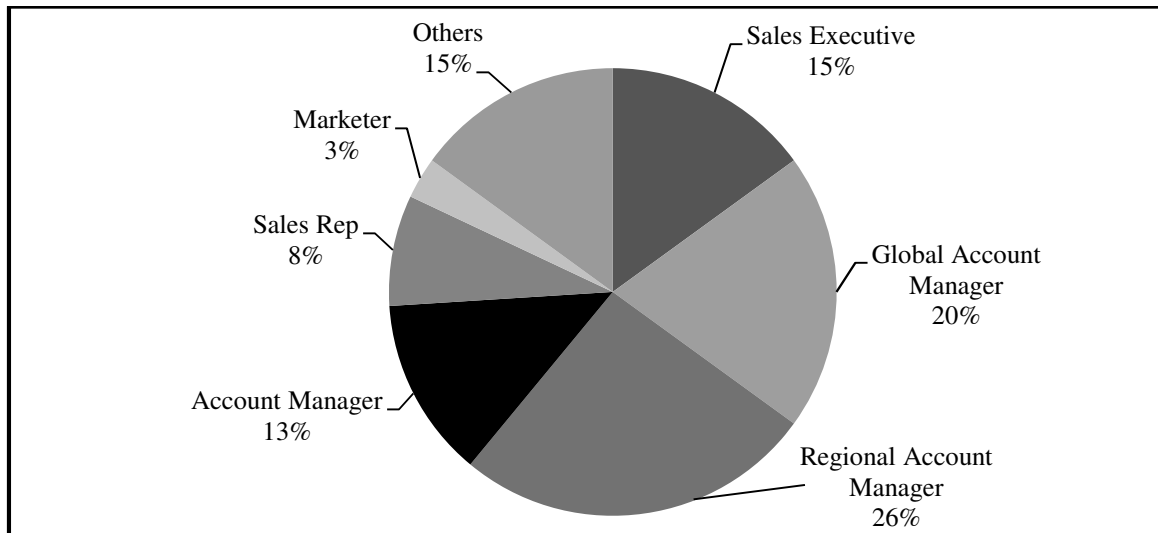


**Figure 17: Respondents' distribution by number of employees in GCO**



**Figure 18: Respondents' distribution by annual turnover generated (in mio USD)**

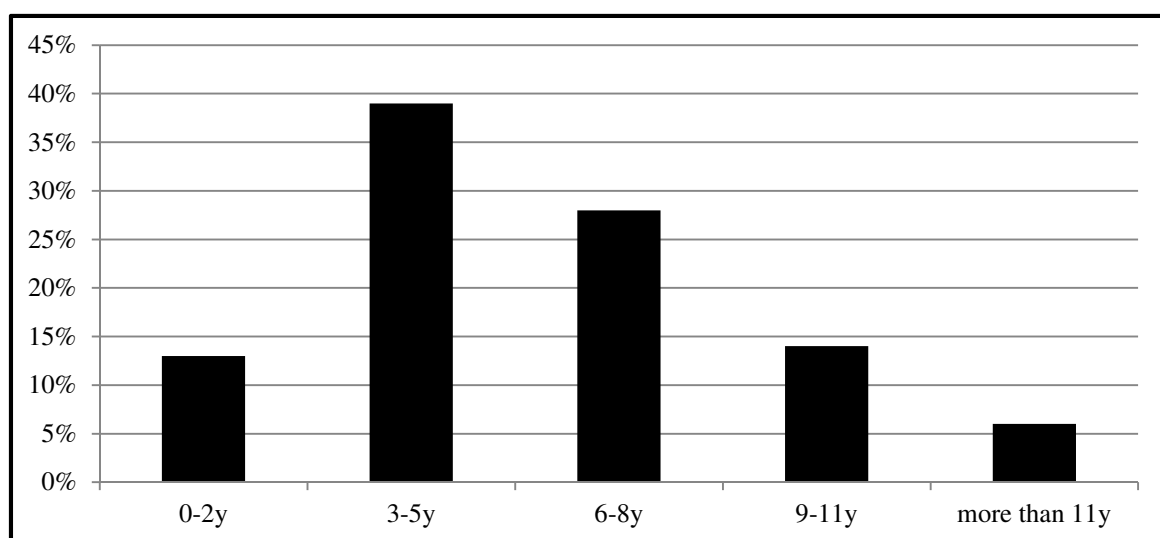
The sample confirms a holistic picture of the study since various GAM functions and hierarchy levels are represented. To be more precise, with 54 respondents, the majority of the sample is represented by middle management levels that focus on regional accounts. Forty-one global account managers as well as 31 executives represent higher management functions, while 27 account managers, 17 sales representatives and 6 marketers form the more operational side. Figure 19 shows the percentage distribution of the respondents' position within the company.



**Figure 19: Respondents' distribution by position in the company**

Figure 20 shows the distributed level of experience in the field of GAM amongst the participants. Thus, 81 informants had worked for 3-5 years in GAM, 58 participants had 6-8 years of experience and 29 respondents an aggregated competence of 9-11 years. As 27 participants were quite new to the job, with only 0-2 years of experience, and 12 respondents had more than 11 years of experience, the spread is diverse.

The fact that around 80% of the participants have less than 9 years of experience in the field of GAM indicates the recent formation of GAM units and supports special focus on this field of research.



**Figure 20: Respondents' distribution by experience in the area of GAM**

Lastly, the sample composition analysis revealed that less than a quarter of the sample (24%) comprised female participants, as seen in Figure 21. This indicates that the area of global account management is still highly dominated by males.

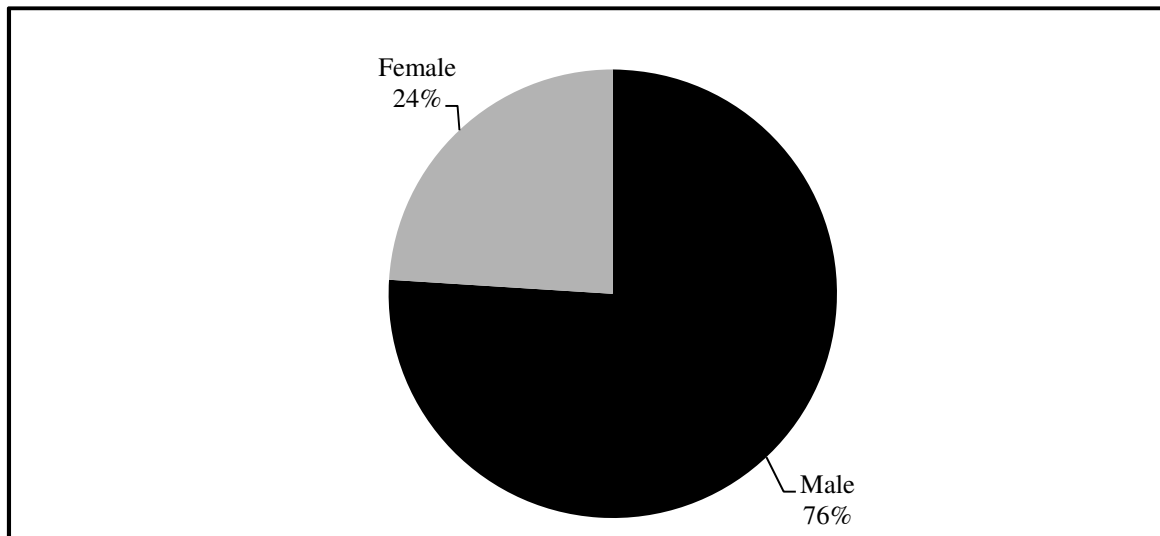


Figure 21: Respondents' distribution by gender

## 7.2 Data Screening

Useful, reliable and valid data is a prerequisite for testing the previously formalised hypotheses and is therefore an indispensable stage in analysing survey data. For this study, a process of data screening based on common suggestions in the literature (Blasius and Thiessen 2012, Gaskin 2012, Saunders et al. 2009), including various procedures on case and variable level, was applied to ensure high information quality.

In a first step, the data set was visually checked for missing data. Even though the questionnaire was technically designed to be completed before submission, the data set revealed four cases with missing data (respondents 42, 59, 126, 188). All affected cases lacked more than six consecutive values, indicating technical issues during the answering process. Because of the high number of missing values, all 4 cases were removed from the data set since case integrity could not be assured.

Next, unengaged responses were identified and removed. This phenomenon describes respondents who answer all questions with the same values or pattern and are therefore considered as not actively participating in the study. This was done



using a case by case examination of the standard deviation (SD) value for the independent and dependent variables. As a result, respondents 5 and 101 were eliminated from the dataset due to no or relatively little variance in their answering patterns (SD = 0 and SD = 0.19). A visual scan of the data did not disclose any further evidence for unengaged answering patterns.

In a third step, the control variables were tested for illogical relationships by comparing respondents' experience and position in the company as well as GCO size and turnover. One of the respondents, number 87, claimed the position of Sales Executive despite having only 0-2 years of experience and more than 100 million in turnover. Similarly, respondent 133 reported the highest possible turnover despite working within the lowest GAM group size. As these cases are unlikely to reflect real circumstances, they were considered unauthentic and removed from the sample.

Furthermore, the dataset was examined for outliers, skewness, and kurtosis. Since all relevant information was captured via a 5-point Likert scale, the dataset did not show any significant outliers. Minor symptoms for skewness and kurtosis were identified in CONVAR\_0 (region), CONVAR\_2 (type of industry), CONVAR\_6 (gender) and FINPER\_1 (growth in sales), as illustrated in Table 11:

Statistics		CONVAR_0	CONVAR_2	CONVAR_6	FINPER_1
N	Valid	199	199	199	199
	Missing	0	0	0	0
Skewness		1.280	.300	1.187	-.985
Kurtosis		.445	-1.277	-.597	1.421

**Table 11: Results of the skewness and kurtosis analysis**

Evaluating the control variables, the results can be reduced to the high number of European participants, the predominance of the manufacturing sector and the large portion of male responses in the dataset and therefore do not require additional attention. However, special attention was given to FINPER\_1 during further data analysis as, even if highly unlikely, distortion effects such as low communalities or cross-loading can originate from this variable. Overall, considering the criteria suggested by George and Mallery (2010), the dataset can be considered as normally

distributed as the skewness and kurtosis values are within the acceptable range of  $\pm 2.0$ . In total, eight cases were removed from the dataset, resulting in a valid and clean N of 199.

### **7.3 Test for Potential Biases**

Following the data analysis sequence and best practice research procedures, the obtained data set was tested for two types of potential errors: non-response and common method bias.

#### **7.3.1 Non-Response Bias**

Due the relatively small response rate of 4%, non-response bias was a concern during the analysis. This bias describes the possibility that the participant responses differ significantly from those who declined to participate. As a result, the obtained data set might not accurately reflect the group targeted by this research.

To address this issue, Armstrong and Overton's (1977) extrapolation approach was applied. It indicates a non-response bias by comparing early and late respondents as 'persons responding later are assumed to be more similar to non-respondents' (1977:2). The inclusion of this technique is considered useful to this research project following Armstrong and Overton's (1977) recommendation and its use in studies with a comparable response rates (Workman et al. 2003, Atanasova 2007, Shi et al. 2010).

To implement this technique, the dataset was split into thirds ( $N_1 = 66$ ;  $N_2 = 67$ ;  $N_3 = 66$ ) based on the date the respondents submitted the questionnaire. Next, a t-test for the independent groups  $N_1$  and  $N_3$  was performed to identify statistically significant differences between the variables used in the questionnaire.

The examination of the control variables are presented in Table 12: t-test results for the control variables show a balanced picture. The mean differences of the responses range from 0 to 0.167 and are not significant ( $p > .05$ ). Both groups contain the exact same number of female participants, and mature criteria such as geographical location, size of the GCO (number of people) and turnover are not significantly different and therefore equally represented in the two sub-samples.

Control Variables	t-test for Equality of Means		
	t	Sig. (2-tailed)	Mean Difference
CONVAR_0	.826	.410	.152
CONVAR_1	.494	.622	.121
CONVAR_2	.849	.397	.167
CONVAR_3	.301	.764	.045
CONVAR_4	.407	.685	.136
CONVAR_5	.090	.929	.015
CONVAR_6	0.000	1.000	.000

Table 12: t-test results for the control variables

The independent variables also yield a similar picture. t-values range from -1.574 to 1.396, but are not significant ( $p < 0.05$ ). In comparison, (POSTR\_3) ‘Our product / service quality meets our customer’s quality targets.’ shows the highest likelihood of being positively biased ( $t = -1.442$ ,  $p = .152$ ,  $MD = -.272$ ). However, because the p-value is far above the cut-off point, there is no cause for concern. Appendix C3 contains the complete evaluation of the independent variables.

Dependent Variables	t-test for Equality of Means		
	t	Sig. (2-tailed)	Mean Difference
RELPER_1	.220	.826	.030
RELPER_2	.806	.422	.106
RELPER_3	-.113	.910	-.015
RELPER_4	-.347	.729	-.045
RELPER_5	-.112	.911	.015
RELPER_6	.406	.686	.076
FINPER_1	-.201	.841	-.030
FINPER_2	.297	.767	.045
FINPER_3	1.682	.095	.258
FINPER_4	.231	.817	.199

Table 13: t-test results for the dependent variables

Finally, Table 13 presents the assessment of non-response bias for the dependent variables. Here, special attention is required for the item (FINPER\_3) ‘... Share of Global Customers budget’ as the p-value is slightly below the heavily debated significance criteria,  $p < 0.1$ . As such, (FINPER\_3) needs to be carefully observed during further analysis as it could induce potential issues related to non-response bias. This result is rather unusual since no other performance variable shows

significant differences. On the whole, the dataset does not show strong evidence of bias; therefore, we can be certain that non-response bias does not occur in this study.

### **7.3.2 Common Method Bias**

In the literature, gathering data using a single method or source is often the subject of discussion on common method variance (CMV), also called common method bias (CMB). The classification of CMV by Richardson et al. (2009:763) as a ‘systematic error variance shared among variables measured with and introduced as a function of the same method and / or source’ implies some risk for the presented research since independent and dependent measures are self-reported and collected from the same sources.

Podsakoff et al. (2003) draw on two primary approaches to controlling CMB: first, through the design of the study and second, by applying statistical controls. As outlined in Section 6.4, the independent and dependent variables were grouped and followed a sequential order. By doing so, the survey design fulfils the researchers’ suggestion of temporal, proximal and psychological separation of the predictor and criterion variables. Thus, the aim of the structure is to eliminate potential contextual retrieval cues, reduce the motivation to utilise previous answers and render their use less relevant to the response process. Additionally, anonymous data collection and assurance thereof lowers the risk of socially desired responses, another commonly perceived source of method variance. To obtain statistical evidence of the non-existence of non-response bias, a single-factor test was performed on the data. In this context, the Podsakoff et al. highlight Harman’s (1976) single-factor test as ‘one of the most widely used techniques that has been used by researchers to address the issue of common method variance...’ (Podsakoff et al. 2003:889). Harman’s method implies that a study shows common method bias when the majority of the variance is explained by one factor.

To begin the testing procedure, all dependent and independent variables were loaded into an exploratory factor analysis in IBM SPSS 21. However, instead of determining the number of factors extracted based on their Eigenvalue, the

unrotated extraction of one single factor was predetermined in the analysis settings. After running the EFA, the results show that 23.55% of the total variance is described by the extracted factor. This does not explain the majority of the total variance; consequently, common method bias is not a major concern in this study.

## **8 Testing and Evaluating the GPM**

While addressing Research Objective 3, the presented chapter outlines the statistical testing and examination procedures that were applied to evaluate the conceptual GPM and to test the corresponding hypotheses.

### **8.1 Scale Reliability Analysis**

Within his often cited research paper on reliability, especially in marketing practices, Peter (1979:6) states that ‘valid measurement is the *sine qua non* of science’ and therefore forms a critical pillar of every scientific research project. The author further notes that reliability in particular is a necessary criterion and prerequisite for validity. A scale is then acceptably reliable if it is free from errors and produces replicable results when measured in different environments, with different participants or using diverse forms of measurement.

Reliability assessment methods can be roughly categorised into two distinct groups: methods that require two or more independent evaluations of the scale and methods that evaluate reliability at one time point. The former includes test-retest, alternate forms, and combinations of the two techniques. While test-retest procedures examine identical scales twice with the same sample population and stress stability using a correlation of the results, alternate forms include similar scales as well as different testing forms (e.g. online / mail surveys) and focus on the equivalence of the investigated measure. On the other hand, one-time scale validation methods mainly focus on reliability scores based on how consistently the participants rated the measures, and statistical analysis methods generate values which are commonly understood as coefficients of internal consistency.

Comparing different reliability assessments, test-retest procedures did not seem purposeful or applicable to this research because of the highly limited access to the

study participants and the time constraints of the research project. Consequently, a statistical analysis of the obtained dataset was the method of choice. In terms of reliability examination based on internal consistency, Peter (1979) illuminates the split halves method, which is considered to be the most common multipoint item for scale reliability measurement due to various limitations points on Cronbach's coefficient alpha (1951). Following Peter's (1979) suggestion, the reliability of the scales used within the proposed model was addressed through an examination of the coefficient alpha in IBM SPSS 21.

Taking Nunnally's (1978) widely accepted indications into account, an alpha value of 0.7 or higher was considered as the cut-off score for sufficiently reliable measures. According to Everitt (2002), item-total correlation should not be less than 0.2 to ensure that items measure on the same scale. Additionally, the Alpha values of deleted items can be used to identify potential scale improvement.

The results of the analysis, as reported in Table 14, show that almost all variables fulfil the applied reliability criteria. However, during the first testing iteration, the Internal support variable needed to be adjusted due to a low alpha value ( $\alpha = .481$ ). A closer inspection of the item  $_{(Intsup\_2)}$  'Our Top Management is not actively involved in GAM activities and does not support project acquisitions.' exposed a very low item-total correlation of .216. A potential cause for this might be that participants who do not speak English as their first language misunderstood the negatively phrased question, resulting in a high variance of the answers given. Nevertheless, after removing  $_{(Intsup\_2)}$  from the scale, the four remaining items formed a reliable measure for Internal Support ( $\alpha = .830$ ). The alpha value for Market Operations ( $\alpha = .691$ ) deviates from the cut-off score but is still considered sufficiently reasonable according to the rules of thumb commonly applied throughout the research literature. Lastly,  $_{(Relper\_6)}$  'It is very unlikely that we continue the business relationships with our Global Account in the future.' showed an insufficient item total correlation value of .082. Here, an effect similar to  $_{(Intsup\_2)}$  was assumed. However, instead of removing  $_{(Relper\_6)}$  from the relational performance measure, exploratory factor analysis was applied in the next step of the research sequence.

## Testing and Evaluating the GPM

Var. Name	Item description	Cronbach's Alpha	Inter-item Correlation	Alpha if item deleted	Source
Personnel Match					
PERMAT_1	The decision-making hierarchy of our global account management (GAM) organisation matches our global customer's purchasing organisation.	.790	.721	.681	Qualitative Study
PERMAT_2	The people in our GAM Organisation share a similar cultural background with their counterparts on the customer side.		.495	.788	
PERMAT_3	... share a similar educational background with their counterparts on the customer side.		.554	.764	
PERMAT_4	... are trained well in customer related-topics (organisational, product, financial, legal, cultural topics).		.649	.713	
Geographical Coverage					
GEOCOV_1	Our GAM organisation has representatives at all major customer locations.	.777	.660	.648	Shi et al. (2010)
GEOCOV_2	The head of our GAM organisation is located close to the decision base of the global customer.		.619	.696	
GEOCOV_3	We do business with our global account customer in whatever country the global account wants to do business.		.568	.748	Zou and Cavusgil (2002)
Internal Support					
INTSUP_1	Our Top Management assigns sufficient resources to our GAM organisation.	.830	.748	.746	Atanasova (2007)
INTSUP_2	<del>... is not actively involved in GAM activities and does not support project acquisitions.</del>		<del>(-).477</del>	.830	
INTSUP_3	... assigns sufficient decision-making authority to our GAM organisation.		.594	.816	
INTSUP_4	... has developed strong relationships to its counterparts on the customer side.		.625	.801	Toulan et al. (2006)
INTSUP_5	Downstream departments (i.e. Engineering, Project Management, Controlling, Pricing, Manufacturing) support our GAM activities.		.673	.779	Qualitative Study
Process Fulfilment					
PROFUL_1	Our GAM organisation is able to support our customer's sourcing processes.	.828	.728	.722	Qualitative Study
PROFUL_2	... to support our customer's product / service development processes.		.680	.767	
PROFUL_3	... to support our customer's processes during series production / service delivery.		.650	.797	
Product Strategy					
PROSTR_1	Our GAM organisation drives our product / service portfolio strategy towards the requirements of our Global Customer.	.788	.689	.692	Qualitative Study
PROSTR_2	Our product / service pricing meets our customer's cost targets.		.567	.750	Toulan et al. (2006)
PROSTR_3	Our product / service quality meets our customer's quality targets.		.602	.732	
PROSTR_4	We actively identify future product / service requirements and promote suitable solutions for our Global Customer.		.534	.768	Qualitative Study
Market Operations					
MAROPE_1	Our world-wide marketing activities cover the globalisation strategy of our customer.	.691	.561	.528	Shi et al. (2004)
MAROPE_2	In our partnership with the customer we pursue joint marketing activities to promote new products / services for target markets.		.460	.660	Yip and Bink (2007)
MAROPE_3	... we develop market-specific decisions (i.e. Localisation of manufacturing, supply chain set up, etc.) together.		.500	.606	Qualitative Study
Growth Alignment					
GROALI_1	The growth plan of our Global account management organisation is in line with our customer's global planning ... in terms of market share.	.811	.491	.806	Richards and Jones (2009)
GROALI_2	... in terms of turnover.		.746	.729	
GROALI_3	The growth plan of our regional subsidiaries is in line with our customer's regional planning ... in terms of market share		.584	.780	
GROALI_4	... in terms of turnover.		.652	.758	
GROALI_5	The profitability targets of our Global Account Management organisation are in line with our customers' targets.		.539	.795	

Var. Name	Item description	Cronbach's Alpha	Inter-item Correlation	Alpha if item deleted	Source
Organisational Congruence					
ORGCON_1	Our company shares a similar historical background as our customer's company.	.772	.712	.671	Qualitative Study
ORGCON_2	... builds on the same corporate values as the customer.		.650	.692	
ORGCON_3	... type is similar to our customers (e.g. LLC, Inc., Corp.).		.164	.855	
ORGCON_4	(1) Our company / (2) our customer is strongly driven by hierarchical decision-making.		.701	.675	
ORGCON_5	(1) Our company / (2) our customer is centrally coordinated.		.597	.719	
Adaptability					
ADAPTA_1	(1) The way our company / (2) our customer operates is difficult to change.	.852	.745	.775	Denison and Mishra (1995)
ADAPTA_2	(1) The way our company / (2) our customer operates allows to respond quickly to competitors.		.777	.741	
ADAPTA_3	Recommendations for improvements in the business relationship often lead to changes in (1) our organisation / (2) the customer's organisation.		.653	.863	
Level of Innovation					
LVLINN_1	(1) Our company recognises itself / (2) our customer recognises itself as an innovative company.	.896	.642	.909	O'Reilly et al. (1991)
LVLINN_2	(1) Our company / (2) our customer is open to experiment with new ways of doing business.		.745	.875	
LVLINN_3	(1) Our company / (2) our customer is willing to take risks.		.891	.817	
LVLINN_4	(1) Our company / (2) our customer reacts quickly to take advantage of upcoming opportunities.		.806	.852	
Collaboration					
COLLAB_1	(1) Our company / (2) our customer intends to quickly resolve conflicts with our customer / our company.	.885	.596	.906	Van der Post et al. (1998)
COLLAB_2	(1) Our company / (2) our customer shares sufficient information to do business.		.745	.854	Sarros et al. (2003)
COLLAB_3	(1) Our company / (2) our customer provides a high level of transparency when doing business.		.841	.815	MacKenzie (1995)
COLLAB_4	(1) Our company treats our customer fairly / (2) our customer treats us fairly.		.826	.823	Wallach (1983)
Relational Performance					
RELPER_1	Our GAM organisation is able to resolve disagreements quickly.	.718	.539	.655	Birkinshaw et al. (2001) Homburg et al. (2002) Shi et al. (2010)
RELPER_2	The customer trusts in our GAM organisation.		.633	.629	
RELPER_3	The customer involves our GAM organisation in early product development stages.		.553	.651	
RELPER_4	Our GAM organisation meets its targets and objectives.		.625	.632	
RELPER_5	Our relationship with the Global Customer is a long-term alliance.		.505	.665	
RELPER_6	It is very unlikely that we continue the business relationships with our Global Account in the future.		.082	.824	
Financial Performance					
FINPER_1	Growth in Sales	.811	.674	.743	Birkinshaw et al. (2001)
FINPER_2	Profitability		.618	.768	
FINPER_3	Share of Global Customers budget		.655	.750	Homburg et al. (2002)
FINPER_4	Cross-selling into various divisions of the customer		.573	.791	Qualitative Study

Table 14: Overview of the scale reliability analysis results



## 8.2 Factor Analysis

Today, factor analysis is used across many different areas of research and is the method of choice for interpreting self-reported questionnaires (Bryant et al. 1999). In their review paper, Williams et al. (2010) show that factor analysis is primarily used to group large numbers of variables into smaller sets of dimensions and examine relationships between them, thus rendering a large dataset workable. For this reason, the multivariate statistical procedure was the next logical step in analysing the collected data and testing the proposed GPM. As factor analysis also includes evaluating the unidimensionality of the theoretical construct, evaluating the construct validity of the scales and testing multicollinearity as well as refining and assessing proposed theories, it provides the tools to acquire a clear picture of the underlying data and renders the output useful for subsequent analyses, such as structural equation modelling (SEM).

In a profound debate on factor analysis, Hurley et al. (1997) discuss whether researchers should favour an exploratory or confirmatory approach. As the name suggests, exploratory factor analysis (EFA) has an exploratory or experimental character and therefore lacks predetermined expectations in terms of the number of factors and their possible combinations. Referencing Kelloway (1995), Hurley et al. (1997) point out that EFAs are often considered more appropriate in the early stages of scale development because they also reveal item loadings on nonhypothesised factors. In the same vein, Williams et al. (2010) note that EFAs allow researchers to generate models and theories from relatively large sets of items and latent constructs.

Unlike EFAs, confirmatory factor analyses (CFAs) are mostly used to test proposed models through structural equation modelling. Therefore, the essential criteria are well-developed and predefined item and measurement combinations. As one of their conclusions, Hurley et al. (1997) highlight that CFAs should not be misused as exploratory techniques; therefore, special attention has to be given to the appropriateness of the underlying theory *a priori*, subject to the CFA.

In summary, the literature on factor analysis reinforced its significance for this research project and validated the proposed framework. This means, the major concepts of the conceptual GPM, such as cultural fit, have yet to be supported by empirical data as they were mainly developed from qualitative assessment. Moreover, the aim of the research is to uncover influential relationships between the variables and to test the proposed hypotheses. Consequently, a sequential two-step approach was applied to ensure the scientific relevance of the GPM framework, starting with an EFA to examine the combination of 51 items as well as the thirteen distinct constructs derived from the literature or interview research. A CFA was then performed to test the level of adequacy of the proposed domains or the second order constructs: structural, strategic and cultural fit.

### **8.2.1 Exploratory Factor Analysis**

The extensive body of literature on exploratory factor analysis can be reduced to the statement that EFA endeavours to bring inter-correlated items together and pool them in more general, underlying variables. Besides the several benefits of EFAs over other analysis methods (e.g. availability of software and usage guidelines, combinability with other methods like CFA or SEM), sample size is often seen as a major concern for the generation of reliable results (MacCallum et al. 1999). As a rule of thumb, Comrey and Lee (1992) label the adequate number of the samples in factor analyses along a range from 50 as very poor, 300 as good and up to 1000 as very good. Tabachnick and Fidell (2007) consider 300 as comfortable number of samples while Hair et al. (2006) suggest a bottom line of at least 100 cases. Conversely, another set of recommendations does not take absolute limits but uses the sample to variable ratio (N:p) to determine the minimum number of samples required for an EFA. For example, Nunnally (1978) indicates a minimum subject to item ratio of 10:1 and Gorsuch (1983) defines a minimum ratio of 5:1 as being sufficient. However, taking the N (199) as well as the number of item subjects (52) in this analysis into consideration, common recommendation cannot be met. Therefore, to overcome any sample size concerns, the framework has been split into sub-models reflecting the four domains: structural fit, strategic fit, cultural fit and the performance measures. Justification for this approach can be found in a

widely cited study by MacCallum et al. (1999). The researchers show that neither recommendations for a minimum level of N nor a minimum N:p ratio are constant throughout research and often depend on the variable design of the study. Nevertheless, the application of such a procedure results in an improved N:p ratio that is in line with the recommended thresholds and has previously found use in GAM research (Atanasova 2007).

### **(1) Prerequisites**

Due to the fact that exploratory factor analyses are complex statistical approaches that involve diverse options at several stages of the analysis, it is crucial to clearly outline the criteria that assist in determining factor extraction. EFA was based on principal component analysis from the IBM SPSS Statistics 21 software package, which is the default method in SPSS and thus the most commonly used method (Thompson 2004). Table 15 gives an overview of the criteria for the extraction of factors applied in the performed EFA:

Criteria	Cut-Off Value	Measurement	Reference
Kaiser-Meyer-Olkin (KMO)	> 0.5	Sampling adequacy	(Tabachnick and Fidell 2007, Hair et al. 2006)
Bartlett's Test of Sphericity	(Sig. $p < 0.05$ )		
Kaiser Criterion	Eigenvalue > 1	Number of factors	(Kaiser 1960)
Factor Loading	> 0.5	Item inclusion in factor	(Tabachnick and Fidell 2007, Comrey and Lee 1992)

**Table 15: Overview of factor extraction criteria**

To assure that the dataset is suitable for an EFA the Kaiser-Meyer-Olkin (Kaiser 1974) KMO criterion, as well as the Bartlett's Test of Sphericity (Bartlett 1937) were examined. The literature recommends KMO values above the .50 level and a significant Bartlett test ( $p < .05$ ) as indicators of good sampling adequacy (Tabachnick and Fidell 2007, Hair et al. 2006). The number of factors was determined by the Kaiser (1960) criterion (1960), which labels distinct factors with Eigenvalues greater than 1.0. Furthermore a Varimax rotation was applied. A factor

rotation maximises high and minimises low loadings, thereby producing simplified and more interpretable results (Hair et al. 2006). In this context, Hair et al. (2006) recommend a standardised factor loading of .40 as sufficient for a sample size of 200. Nevertheless, in line with common research principles, items with loadings above .50 were considered as suitable for inclusion (Comrey and Lee 1992, Tabachnick and Fidell 2007). To achieve better interpretability, loadings of less than .50 are suppressed in the presentation of the results.

## **(2) Analysis Results**

The first EFA was performed for the structural fit domain. The results presented in Table 16 show four discrete factors with Eigenvalues greater than 1.0 accompanied with satisfying values for KMO and Bartlett's test:

KMO and Bartlett's Test				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.				.802
Bartlett’s Test of Sphericity	Approx. Chi-Square			1131
	df			91
	Sig.			.000
Rotated Component Matrix				
	Component			
	1	2	3	4
PERMAT_1		.799		
PERMAT_2		.737		
PERMAT_3		.731		
PERMAT_4		.791		
GEOCOV_1				.845
GEOCOV_2				.796
GEOCOV_3				.768
INTSUP_1	.836			
INTSUP_3	.754			
INTSUP_4	.779			
INTSUP_5	.762			
PROFUL_1			.856	
PROFUL_2			.826	
PROFUL_3			.832	
Eigenvalues	4.540	1.944	1.734	1.492
Variance by Factor	32.43%	13.87%	12.38%	10.67%
Total Variance Explained	69.39%			
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.				

**Table 16: EFA results for the structural fit domain**

All items measuring personnel match, geographical coverage, internal support and process fulfilment have significantly higher loadings than the predetermined cut-off point of .50. In total, the four factors explain a total variance of 69.39%, with internal support having the greatest share (32.43%). As a result, the analysis provides strong evidence of the validity of the previously hypothesised constructs.

In a next step, an EFA for the strategic fit domain was performed in a similar manner. The results obtained from the analysis provide evidence for the proposed construct, as can be seen in Table 17.

<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.792
Bartlett's Test of Sphericity	Approx. Chi-Square		744
	df		66
	Sig.		.000
<b>Rotated Component Matrix</b>			
	Component		
	1	2	3
PROSTR_1		.816	
PROSTR_2		.765	
PROSTR_3		.748	
PROSTR_4		.724	
MAROEPE_1			.816
MAROEPE_2			.713
MAROEPE_3			.767
GROALI_1	.658		
GROALI_2	.845		
GROALI_3	.734		
GROALI_4	.801		
GROALI_5	.692		
Eigenvalues	3.795	2.031	1.445
Variance by Factor	31.62%	16.93%	12.04%
Total Variance Explained	60.59%		
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.			

Table 17: EFA results for the strategic fit domain

As predicted, the data confirms that three factors have Eigenvalues greater than the threshold of 1.0, fulfilling the measures of sample adequacy. Together, they explain a total variance of 60.59%, of which growth alignment accounts for almost half.

Again, all items satisfyingly load on their own factors; therefore, the results serve as a valid basis for the theoretical concepts developed throughout the research project.

Considering the number of factor criteria (Eigenvalue > 1) and measures of sample adequacy, four dedicated factors were identified through the EFA of the results for the cultural fit concept as reported in Table 18.

KMO and Bartlett's Test				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.				.840
Bartlett’s Test of Sphericity	Approx. Chi-Square			2478
	df			10
	Sig.			.000
Rotated Component Matrix				
	Component			
	1	2	3	4
ORGCON_1		.818		
ORGCON_2		.748		
<del>ORGCON_3</del>		<del>.453</del>		
ORGCON_4		.817		
ORGCON_5		.687		
ADAPTA_1				.839
ADAPTA_2				.810
ADAPTA_3				.750
LVLINN_1	.662			
LVLINN_2	.793			
LVLINN_3	.930			
LVLINN_4	.891			
COLLAB_1			.516	
COLLAB_2			.726	
COLLAB_3			.920	
COLLAB_4			.916	
Eigenvalues	6.626	1.939	1.619	1.394
Variance by Factor	41.42%	12.12%	10.12%	8.71%
Total Variance Explained	72.36%			
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.				

**Table 18: EFA results for the cultural fit domain**

Variances explained by the factors range from 41.42% to 8.71% and aggregate to 72.36%. Except for (COLLAB\_1) '(1) Our company / (2) our customer intends to

quickly resolve conflicts with our customer / our company.’, which is only slightly raised, all proposed items for levels of innovation, adaptability and collaboration show factor loadings far above the 0.5 threshold and therefore remain included in their factors. However, contrary to expectations, item <sub>(ORGCN\_3)</sub> ‘Our company type is similar to our customers (e.g. LLC, Inc., Corp.).’ did not load sufficiently on the proposed factor and was subsequently removed from analysis. Nevertheless, with an alpha value of .856 the removal of <sub>(ORGCN\_3)</sub> from the organisational congruence variable did not affect reliability of the construct.

<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.845
Bartlett's Test of Sphericity	Approx. Chi-Square		648
	df		45
	Sig.		.000
<b>Rotated Component Matrix</b>			
	Component		
	1	2	3
RELPER_1	.738		
RELPER_2	.799		
RELPER_3	.764		
RELPER_4	.773		
RELPER_5	.656		
<del>RELPER_6</del>			<del>.982</del>
FINPER_1		.824	
FINPER_2		.761	
FINPER_3		.776	
FINPER_4		.756	
Eigenvalues	3.986	1.559	1.011
Variance by Factor	39.86%	15.60%	10.11%
Total Variance Explained	65.57%		
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.			

**Table 19: EFA results for the performance dimensions**

A final EFA was performed for the performance domain. Interestingly, the first iteration exposed three factors with Eigenvalues above the 1.0 threshold and therefore did not confirm the proposed two factor solution accounting for financial as well as relational performance. A closer examination of the data revealed that item <sub>(Relper\_6)</sub> ‘It is very unlikely that we will continue our business relationships

with our Global Account in the future.’ was not included in the two major factors but strongly loaded on a single item factor, as highlighted in Table 19.

This was expected to a certain extent and can be seen as a result of the low inter-item correlation of  $(Relper\_6)$ , identified during the scale reliability analysis. After the removal of  $(Relper\_6)$ , the adjusted data shows that all items loaded as anticipated on two factors with Eigenvalues of 3.398 and 1.095, explaining 49.92% of the total variance. Reliability of the modified relational performance scale remains high ( $\alpha = .824$ ), and the results of the EFA show valid KMO and Bartlett’s measures.

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.856
Bartlett's Test of Sphericity	Approx. Chi-Square	644
	df	36
	Sig.	.000
<b>Rotated Component Matrix</b>		
	Component	
	1	2
RELPER_1	.586	
RELPER_2	.727	
RELPER_3	.713	
RELPER_4	.753	
RELPER_5	.603	
FINPER_1		.793
FINPER_2		.638
FINPER_3		.598
FINPER_4		.611
Eigenvalues	3.979	1.555
Variance by Factor	44.21%	17.12%
Total Variance Explained	61.49%	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalisation.		

**Table 20: EFA results for the adjusted performance dimensions**

Taking minor modifications in cultural fit as well as performance into account, the results obtained from the exploratory factor analysis provide strong support for the previously hypothesised constructs of the research framework and a strong basis for the following analysis procedures.



### 8.2.2 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) helps identify whether the dataset provides a respectable fit for the hypothesised GPM highlighted in Chapter 5.6. The approach explicitly assesses the relationships between the observed variables and their underlying constructs (Child 1990). The use of the CFAs is generally more appropriate in advanced stages of construct validation, where first evidence underlines prior predictions (Brown 2006) and a conceptual framework exists. Taking into account that EFA results provide initial support for the proposed model, the next step was to test the relationship between the observed factors and their proposed latent concepts. Consequently all items included were transformed into observed variables and the first as well as second order constructs were modelled as latent variables. Nevertheless, similar to Atanasova and Senn's (2011) study on GAM team performance, the two performance constructs were not pooled into a latent variable because *Hypothesis 4* postulates a positive effect of relational on financial performance.

#### **(1) Prerequisites**

The CFA was computed in IBM SPSS AMOS 21 using the maximum likelihood method. Like the EFA procedure, the CFA was performed separately for each domain due to similar sample size requirements (Kline 2011). The analysis of the results for each of the four latent constructs followed three distinct stages: output screening, model fit evaluation and demonstration of model reliability. Firstly, the output was screened directly after the computation of each domain. In particular, parameter estimates, modification indices and variances were examined. At this stage, the AMOS output showed that all models converged properly and did not have irregularities or insignificant results. Secondly, the model fit was evaluated through a number of statistical fit indices recommended in the literature (Hu and Bentler 1999, Byrne 2006, Tabachnick and Fidell 2007). The model fit expresses how well the proposed model accounts for between-variable correlations in the dataset. The selection of fit indicators and their respective cut-off values applied through the examination of the CFA includes absolute and relative measures. A summary overview is presented in Table 21.

<b>Fit Indices</b>	<b>Cut-Off Value</b>	<b>Reference</b>
Normed chi-square (CMIN/DF),	< 2.0	Tabachnick and Fidell (2007)
Root Mean Square Error of Approximation (RMSEA)	< .06	Hu and Bentler (1999)
Standardized Root Mean Squared Residual (SRMR)	< .09	
Tucker Lewis Index (TLI)	> .95	Hu and Bentler (1999), Byrne (2006)
Comparative Fit Index (CFI)		
<b>Reliability Criteria</b>	<b>Cut-Off Value</b>	<b>Reference</b>
Composite Reliability (CR)	> .70	Steenkamp and Van Trijp (1991)
<b>Validity Criteria</b>	<b>Cut-Off Value</b>	<b>Reference</b>
Convergent Validity	AVE > .50	Fornell and Larcker (1981), Hair et al. (2006)
Discriminant Validity	AVE > MSV	
	AVE > ASV	
<b>Significance Levels</b>	<b>Cut-Off Value</b>	<b>Reference</b>
p	< .001 *** < .01 ** < .05 *	Bross (1971), Hu and Bentler (1999)

**Table 21: Fit Indices, reliability criteria, validity criteria, significance levels and cut-off values**

The absolute measures determine how well the model fits the sample data (McDonald and Ho 2002) and are frequently reported in research using the chi-square to degrees of freedom ratio (CMIN/DF) introduced by Wheaton et al. (1977). The authors suggest a satisfactory cut-off ratio of 5.0. However, this research follows the suggestion of Tabachnick and Fidell (2007), who recommend the widely applied 2.0 threshold.

Likewise the Root Mean Square Error of Approximation (RMSEA) (Steiger and Lind 1980) was examined. RMSEA values cover a range from zero to one, whereby a smaller value indicates a better fit. Browne and Cudeck (1992) recommend .08 as the orientation for a moderate fit, while Hu and Bentler (1999) indicate good model fit at a RMSEA value of .06. Lastly, the Standardised Root

Mean Square Residual (SRMR) was examined due to its high sensitivity to simple model misspecifications (Hu and Bentler 1999). SRMR values of approximately .09 or less tend to indicate good fit (Hu and Bentler 1999). Complementarily, relative measures compare the chi-square of the hypothesised model to a baseline model that assumes the model variables are uncorrelated (McDonald and Ho 2002). Commonly used reported indices include the Tucker and Lewis Index (1973) TLI as well as the Comparative Fit Index CFI (Bentler 1990), which also provides valid results for a small sample size (Tabachnick and Fidell 2007). In earlier research, these indices were generally used with a threshold of .90 indicating good model fit (Bollen 1989), however recent literature shows increased conventional cut-offs at a value of .95 (Byrne 2006, Hu and Bentler 1999).

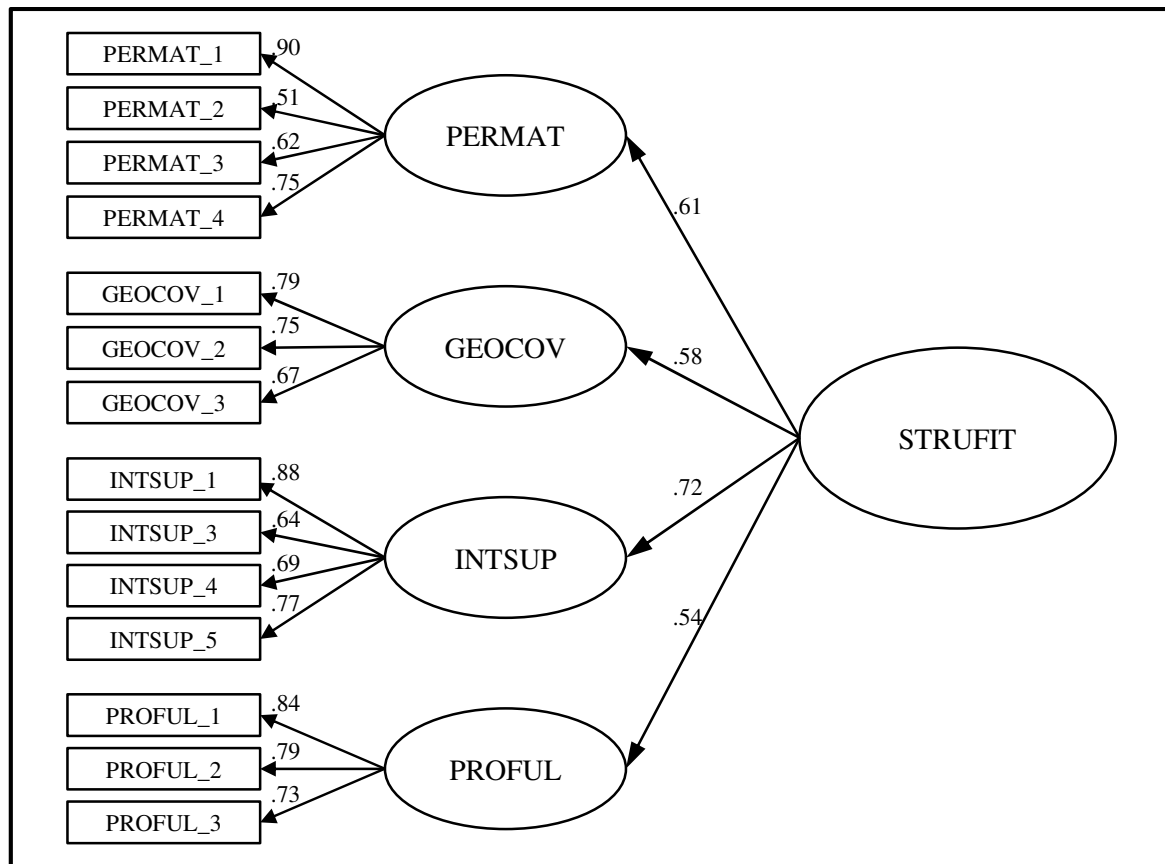
In order to provide a comparable view, standardised regression coefficients were used and reported with the analysis results. Here, variables are converted into standard deviation units, allowing the expected impact of the predictor variables on the dependent variables to be compared, based on their standard deviation difference. For better readability, the number of digits per coefficient was reduced to two throughout the CFA.

Moreover, as commonly recommended for best practice research, the CFA should demonstrate an adequate level of model reliability and validity (Bollen 1989, DeVellis 2011). Therefore, the composite reliability (CR) of the model and Campbell and Fiske's (1959) oft cited convergent and discriminant validity criteria were revised for each domain. In this context, convergent validity determines the degree to which concepts (that should theoretically correlate) are related in reality. Moreover, discriminant validity describes the level to which latent variables are unique because they can be discriminated from other latent constructs. Steenkamp and Van Trijp (1991) propose that values greater than .70 represent strong reliability for a tested model. Moreover, according to Fornell and Larcker (1981), the average variance extracted (AVE) can be used as a convergent validity measurement. Thereby, AVE represents the shared or common variance and should, following Hair et al. (2006), be no less than .50. Finally, to ensure discriminant validity, Hair et al. (2006) recommend that the AVE be greater than

the maximum shared variance (MSV) and the average shared variance (ASV). The reliability and validity criteria applied herein were calculated using the validity master Excel tool developed by Gaskin (2012) and are reported with the model fit indices. Lastly, commonly accepted significance levels amongst researchers ( $p < .001^{***}$ ,  $p < .01^{**}$ ,  $p < .05^{*}$ ) were evaluated to assess the statistical significance of the proposed interrelations.

## **(2) Analysis Results**

As a starting point, the structural fit domain was analysed and the results presented in Figure 22.



**Figure 22: CFA results for the structural fit domain**

All standardised factor loadings are positive and significant at the  $p < .01$  level. INTSUP shows the strongest standardised coefficient (.72), followed by PERMAT (.61), GEOCOV (.58) and PROFUL (.54). Examination of the fit indices shows that TLI (.94) deviates very slightly from its cut-off. Yet, given the very low magnitude of the deviation and the fact that all other indices are within their predefined ranges, the model for the structural fit domain, as conceptualised, is

considered as adequately fitting. In addition, Table 22 shows that all validation criteria were fulfilled, indicating strong CFA reliability and validity for the factor.

Model Fit Indices		Reliability and Validity Criteria				
<b>CMIN/DF</b> < 2.0	1.68		<b>CR</b> > 0.7	<b>AVE</b> > 0.5	<b>MSV</b> < AVE	<b>ASV</b> < AVE
<b>RMSEA</b> < .06	.06	<b>PERMAT</b>	0.79	0.50	0.20	0.14
<b>SRMR</b> < .09	.61	<b>GEOCOV</b>	0.78	0.54	0.15	0.13
<b>TLI</b> < .950	.94	<b>INTSUP</b>	0.83	0.56	0.20	0.17
<b>CFI</b> < .950	.96	<b>PROFUL</b>	0.83	0.62	0.17	0.11

Table 22: Model fit, reliability and validity for the structural fit domain

Next, the CFA results for the strategic fit model were examined. Surprisingly, item: (GROALI\_1) did not show a significant factor loading (.42) and consequently had to be removed from further analysis. After this modification, the standardised factor loadings for product strategy, market operations and growth alignment are positive and significant at the  $p < .05$  level. As presented in Figure 23, PROSTR has the strongest coefficient (.71), followed by MAROPE (.62) and GROALI (.46).

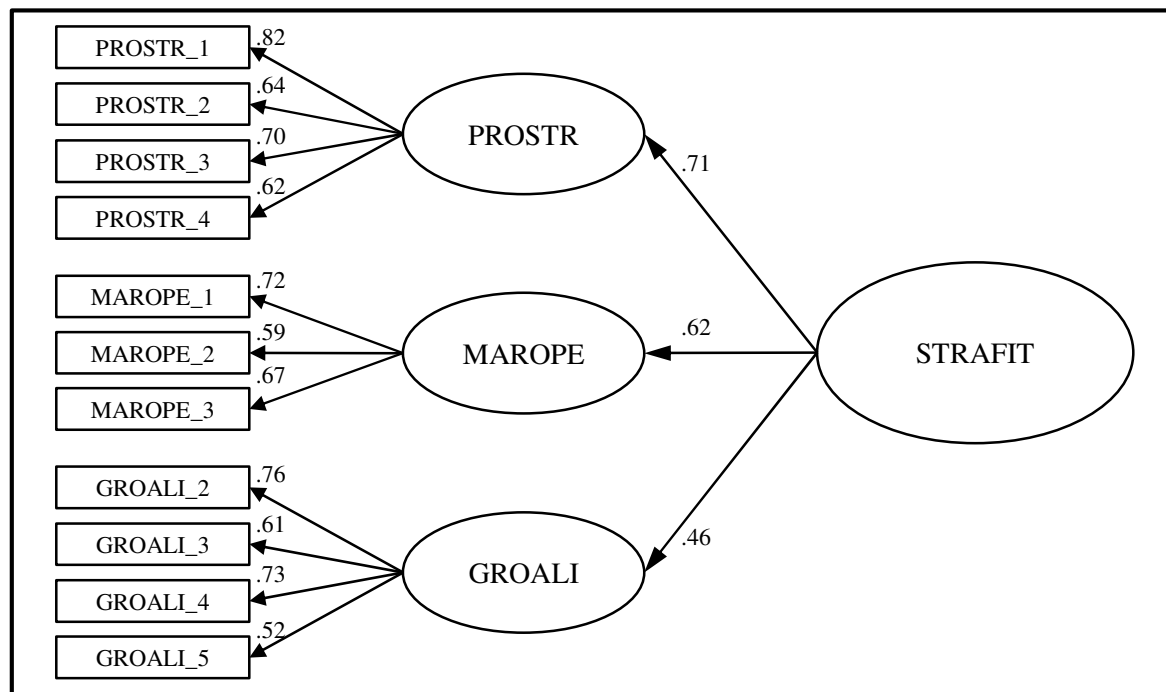


Figure 23: CFA results for the strategic fit domain

The displayed fit indicators, alongside CR, AVE, MSV and ASV in Table 23, reveal a well-fitting, reliable and valid model.

Model Fit Indices		Reliability and Validity Criteria				
<b>CMIN/DF</b> < 2.0	1.20	<b>CR</b> > 0.7	<b>AVE</b> > 0.5	<b>MSV</b> < AVE	<b>ASV</b> < AVE	
<b>RMSEA</b> < .06	.04	<b>PROSTR</b>	0.79	0.57	0.19	0.14
<b>SRMR</b> < .09	.06	<b>MAROE</b>	0.69	0.51	0.19	0.13
<b>TLI</b> < .950	.98	<b>GROALI</b>	.075	0.51	0.10	0.18
<b>CFI</b> < .950	.98					

Table 23: Model fit, reliability and validity for the strategic fit domain

The CFA results of the cultural fit domain highlighted in Figure 24 reveal a RMSEA value (.066) that slightly deviates from its cut-off. Nevertheless, due to the low magnitude of the deviation and the fact that CMIN/DF, SRMR, TLI and CFI are at acceptable levels, the criteria for a good model fit are considered as adequate. All variables show standardised loadings, are positive and are significant at  $p < .01$ .

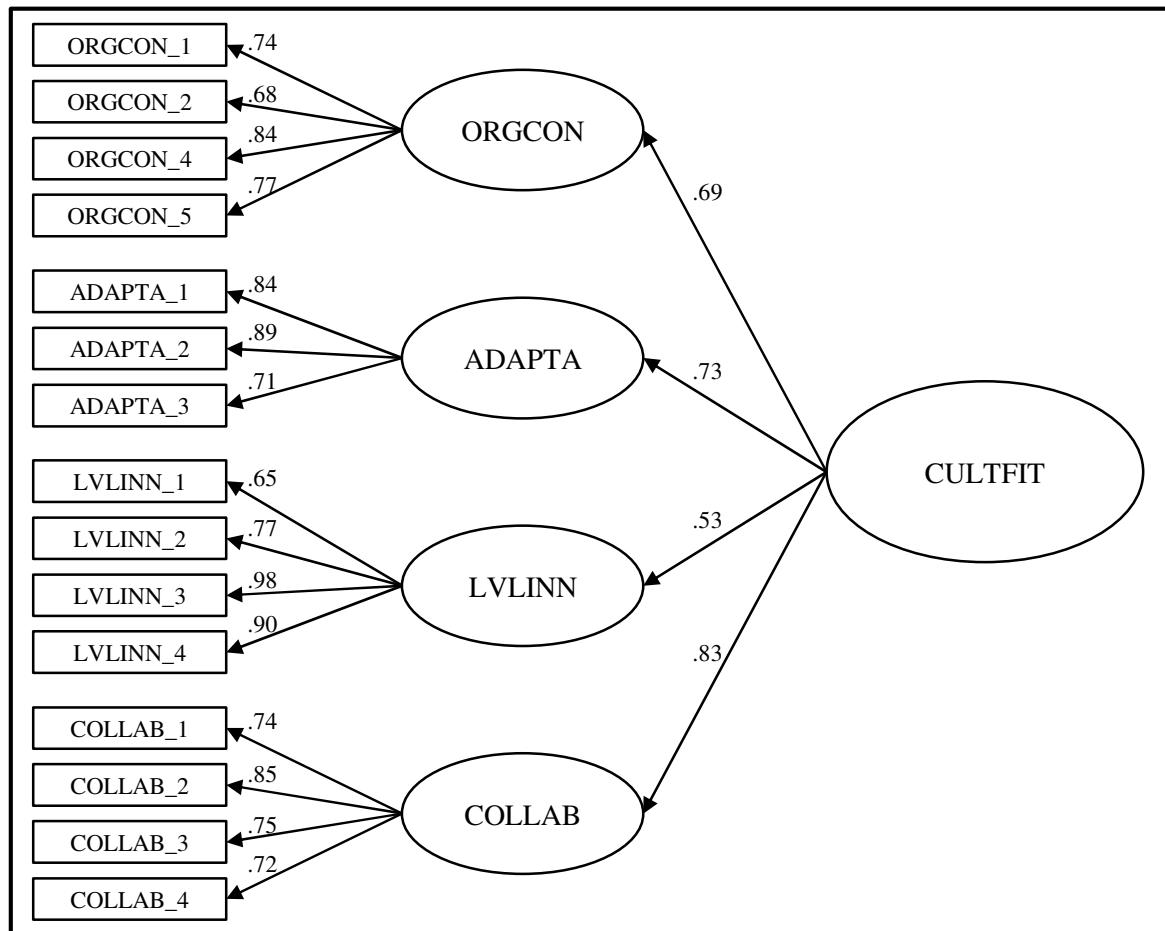


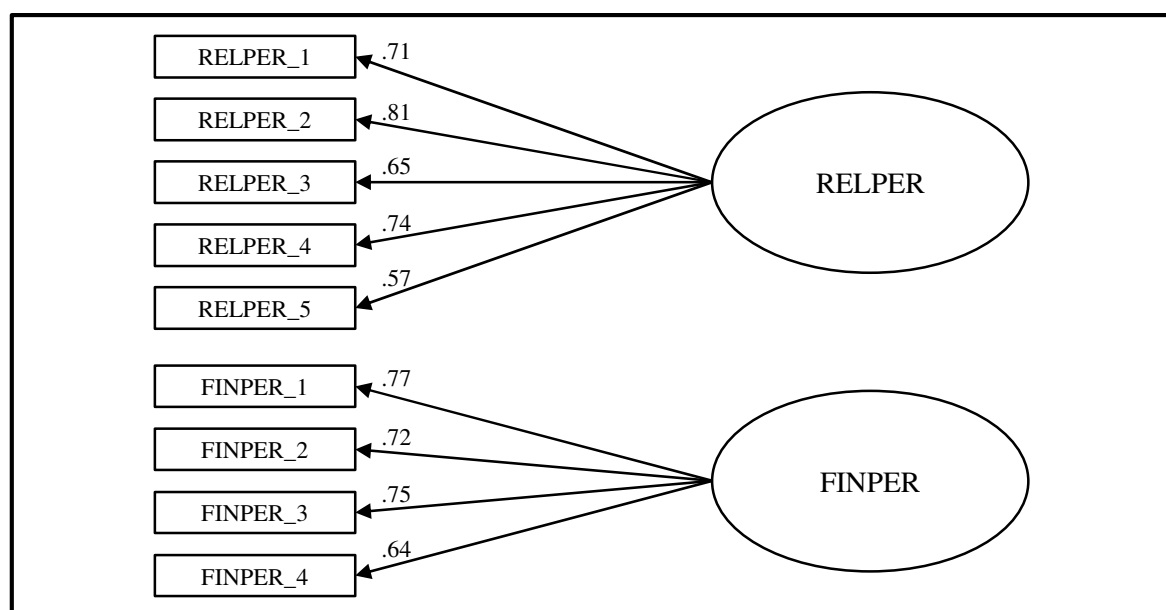
Figure 24: CFA results for the cultural fit domain

Furthermore, evidence for reliability as well as validity is provided in Table 24 since the respective values are within their predefined thresholds. Thus, the data set reflects the cultural fit domain as proposed.

Model Fit Indices		Reliability and Validity Criteria				
<b>CMIN/DF</b> < 2.0	1.87		<b>CR</b> > 0.7	<b>AVE</b> > 0.5	<b>MSV</b> < AVE	<b>ASV</b> < AVE
<b>RMSEA</b> < .06	.07	<b>ORGCON</b>	0.84	0.57	0.31	0.23
<b>SRMR</b> < .09	.07	<b>ADAPTA</b>	0.86	0.67	0.36	0.24
<b>TLI</b> < .950	.96	<b>LVLINN</b>	0.90	0.69	0.19	0.15
<b>CFI</b> < .950	.97	<b>COLLAB</b>	0.85	0.58	0.36	0.28

**Table 24: Model fit, reliability and validity for the cultural fit domain**

Finally, the performance dimensions were analysed. As mentioned previously, relational and financial performance factors were not pooled into a latent construct because the aim of the research was to understand the impact of the different GAM domains on both dimensions. The CFA outcomes presented in Figure 25 indicate strong positive as well as significant ( $p < .01$ ) factor loadings. Moreover, as presented in Table 25 the criteria for good model fit, reliability and validity are fulfilled, confirming the appropriateness of the previously conceptualised first order constructs RELPER and FINPER.



**Figure 25: CFA results for the performance dimensions**

Model Fit Indices		Reliability and Validity Criteria				
CMIN/DF < 2.0	1.2		<b>CR</b> > 0.7	<b>AVE</b> > 0.5	<b>MSV</b> < AVE	<b>ASV</b> < AVE
RMSEA < .06	.02	RELPER	0.83	0.62	0.18	0.08
SRMR < .09	.02	FINPER	0.79	0.50	0.32	0.17
TLI < .950	.99					
CFI < .950	.99					

**Table 25: Model fit, reliability and validity for the performance dimensions**

In summary, the CFA findings impressively underline the relationships between the variables in each of the four domains of the conceptualised GPM. Moreover, following slight adjustments to the growth alignment variable, the results show that the anticipated composition of the reflective second order constructs and the construct structure are well fitting, reliable and validated, thereby confirming the proposed interrelations.

### 8.3 Performance Based Comparison

In order to illuminate the eleven dimensions of the three fit domains and their inter-relationship with GAM performance, a comparison was made between respondents of high and low performing GCOs. The data points were categorised according to the average score of nine performance items ranging from 2.2 to 5.0. The overall performance measurement mean score (3.78) was chosen to split the dataset into 90 respondents from high ( $\geq 3.78$ ) and 109 respondents from low ( $\leq 3.78$ ) performing GCOs. A one-way analysis of variance (ANOVA) was conducted on an imputed data set to compare the two groups regarding their mean scores on the structural, strategic and cultural fit dimensions.

The analysis revealed two distinct findings: First, the high performing GCOs had higher ratings than the low performing GCOs on all dimensions. Second, the mean scores between the two groups are significantly different at the  $p < .01$  level. Thus, the findings presented in Table 26 confirm that high performing GCOs are generally better aligned to their customers than low performing GCOs on all of the 11 tested dimensions.



Dimensions	High Performing GCOs (>3.78)	Low Performing GCOs (<3.78)	ANOVA	
	Mean Scores		F-Value	Sig (p)
Personnel Match	3.12	2.65	34.875	.000
Geographical Coverage	3.10	2.73	27.124	.000
Internal Support	3.16	2.77	18.762	.000
Process Fulfilment	3.54	3.20	15.452	.000
Product Strategy	3.31	3.00	11.299	.001
Market Operations	3.26	2.84	31.872	.000
Growth Alignment	3.59	3.06	35.444	.000
Organisation Congruence	4.10	3.28	55.843	.000
Adaptability	3.60	2.95	50.248	.000
Level of Innovation	4.20	3.43	33.255	.000
Collaboration	4.02	3.39	63.944	.000

Table 26: Group comparison based on performance

## 8.4 Structural Equation Modeling

Because researchers can use structural equation modeling (SEM) to test and assess causal relationships between empirical data, this technique has become a ‘quasi-standard’ (Hair et al. 2012) or ‘established component’ (Baumgartner and Homburg 1996) for empirically testing new theoretical concepts expressed as complex models. Examples of the use of SEM in global account management research are Montgomery et al.’s (1998) examination of GAM use and performance, the GAM strategy framework by Shi et al. (2010) and Atanasova and Senn’s (2011) study on GAM team design and performance. Advantages over other research methods include the ability to study relationships between latent constructs, specify and correct measurement errors, and simultaneously estimate numerous dependencies or entire theories (Henseler 2012). Furthermore SEM allows the investigating of ‘comprehensive theoretical frameworks in which the effects of constructs are propagated across multiple layers of variables via direct, indirect or bi-directional paths of influence’ (Baumgartner and Homburg 1996:158). Due to the fact that the

proposed GPM includes many such influential paths, SEM was chosen to examine those by using structural path analysis, as in line with previous GAM studies.

### **(1) Prerequisites**

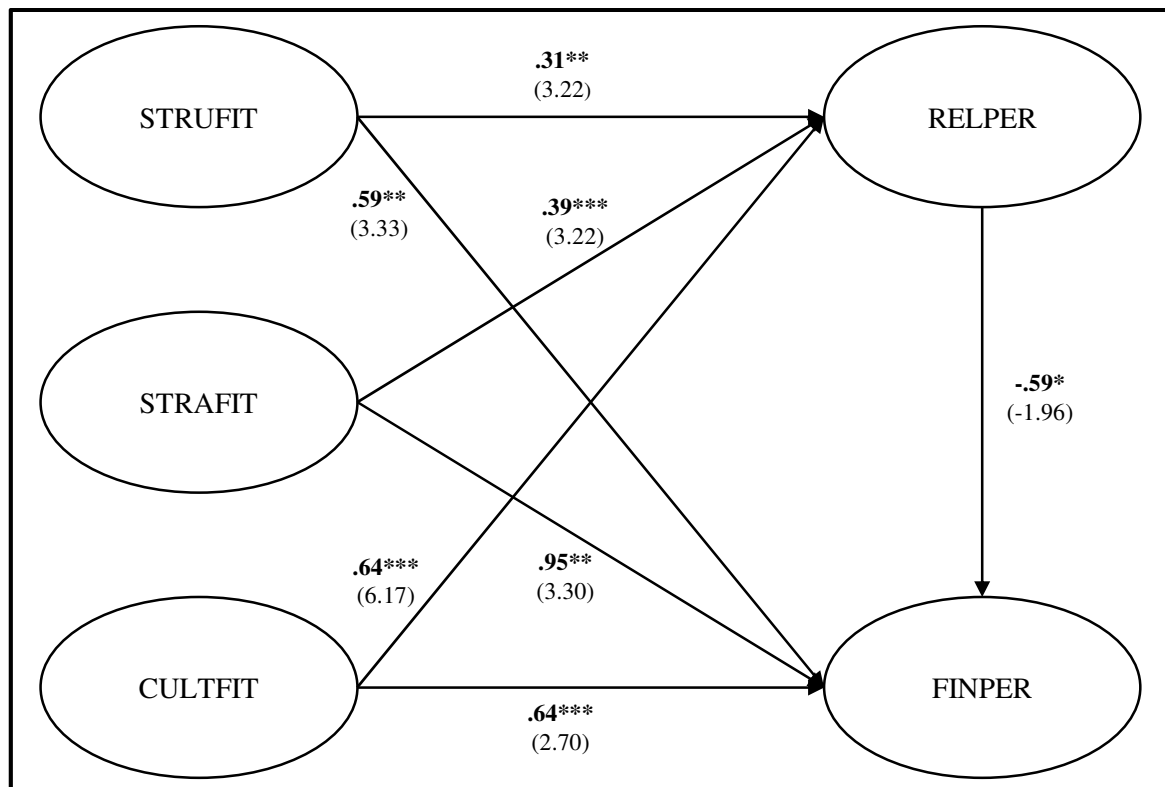
As with the CFA, the structural path analysis was performed in IBM SPSS AMOS 21 using the maximum likelihood method. Additionally, the analysis procedure followed the CFA approach by applying the same model fit criteria to provide consistent research results. Again, two digit standardised regression coefficients as well as t-values (in brackets) are reported to ensure a comparable interpretation of the outcomes.

### **(2) Analysis Results**

The conceptual GPM developed in Chapter 5.6 served as the basis for an initial structural path model. Thereby, the dataset encompasses all items, factors, dimensions and modifications obtained in earlier stages of the research.

From the first analysis, it turned out that, while some model fit indicators such as CMIN/DF (1.355), RMSEA (.042), SRMR (.079) were at acceptable levels, TLI (.919) and CFI (.924) showed values below their recommended thresholds. Furthermore, given the fact that the paths from the structural, strategic and cultural fit domain indicated a significant and relatively strong positive impact on the two performance dimensions, it was rather surprising that the graphical AMOS output, presented in Figure 26 revealed a negative (-.59) influence of relational on financial performance ( $t = -1.96$ ,  $p = .05$ ). Besides the fact that p-values of 0.05 are commonly considered on the edge of accepted significance levels and often labelled “marginally significant” (Hankins 2013), the interpretation of the initial structural path model leads to the conclusion that, within global account management relationships between supplying and buying companies, strong relational ties and the resulting relational performance decrease the financial success of the former. Considering the literature evaluated in Chapter 2, this interpretation of the respective path coefficient contradicts not only previous KAM and GAM research (Workman et al. 2003, Jones et al. 2009, Atanasova and Senn

2011) but also the fundamental principles of relationship marketing theory in general (Sheth and Parvatiyar 2000, Berry 2002, Gummesson 2002).



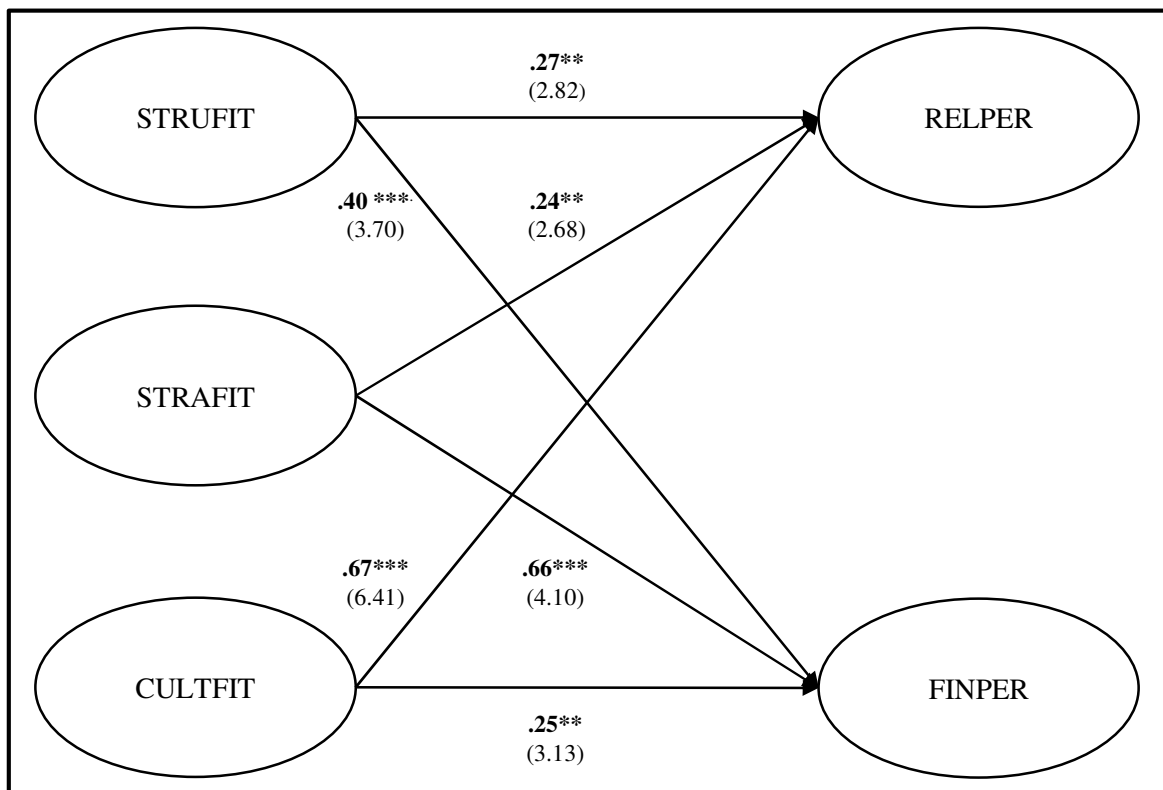
Note: \*\*\* significant at  $p < .001$ , \*\* significant at  $p < .01$ , \* significant at  $p < .05$

**Figure 26: Structural path model of the conceptual GPM**

Moreover, the negative influence from RELPER to FINPER is also inconsistent with the practical insights gained during the interviews with GAM experts and thus the template analysis elaborated through Chapter 5. Therefore, in order to avoid the confirmation bias that generally threatens the validity of structural equation modelling (Hoyle 2012), the initial structural path model was categorised as an equivalent version of the GPM which, on the one hand, shows a certain model-data correspondence but on the other, is considered incorrect as it fails to accurately reflect apparent causal interrelations in GAM relationships (Kline 2011).

Nevertheless, a series of alternative models was developed and tested in order to provide improved coverage for the previously outlined findings and assumptions. The removal of either path from the three fit domains yielded no noteworthy change; however, the only ‘moderately significant’ path, RELPER to FINPER, was also eliminated, as demonstrated in Figure 27. This was considered an indispensable

model modification towards achieving, at least from a causal perspective, a more sophisticated structural path model that not only reflected previous assumptions but also provided more accurate results. The following testing of the adjusted model did not indicate any additional insignificant path coefficients, negative variances or issues related to modification indices. Although the fit indices remained at equal levels CMIN/DF (1.360), RMSEA (.043), SRMR (.077), TLI (.918) and CFI (.923), the relatively complex nature of the research model, including forty-nine items and thirteen first and three second order constructs, still allows the categorisation ‘adequately fitting’ (Bollen 1989, Hu and Bentler 1999).



Note: \*\*\* significant at  $p < .001$ , \*\* significant at  $p < .01$ , \* significant at  $p < .05$

**Figure 27: Structural path model of the adjusted and final GPM**

In view of the aforementioned, the adjusted and final GPM presented in Figure 27 mostly incorporates and confirms the theoretical and practical findings previously evaluated, targets the identified research gaps, is only slightly adjusted, considering the extent of the initially conceptualised model and reflects the most appropriate structural path model of all of the tested alternatives. Consequently it was selected as the basis for hypothesis testing, as deliberated in the following section. The full model, including all variables and factor loadings, is attached in Appendix D1.

#### 8.4.1 Hypotheses Testing

*Hypothesis 1* predicts that structural fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM performance. With standardised path coefficients of .27 ( $t = 2.82$ ,  $p < .01$ ) and .40 ( $t = 3.70$ ,  $p < .001$ ), the final GPM reveals a direct influence of structural fit on both performance dimensions, consequently supporting both parts of the hypothesis.

*Hypothesis 2* states that the strategic fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM performance. The paths' strategic fit to relational performance and strategic fit to financial performance show positive and significant values of .24 ( $t = 2.68$ ,  $p < 0.01$ ) and .66 ( $t = 4.10$ ,  $p < 0.001$ ), respectively, thus confirming both parts of the hypothesis.

*Hypothesis 3* suggests that the cultural fit between suppliers and global customers has a positive effect on (a) relational and (b) financial GAM performance. The model underlines the proposed relationships by revealing significant coefficients of .67 ( $t = 6.41$ ,  $p < .001$ ) and .25 ( $t = 3.13$ ,  $p < 0.01$ ) supporting them.

*Hypothesis 4*, which implies a positive influence of relational performance on financial performance, could not be tested due to concerns with the initial structural model and therefore is rejected by this research. Nevertheless, alternative literature in KAM, GAM and relationship marketing literature explicitly stresses and demonstrates proof of the existence of such a relationship; therefore, its existence cannot be completely denied.

Even though *Hypothesis 4* did not find support in the final GPM, the results provide important insights into the factors that contribute to the relational and financial success of global customer organisations at different levels of extent.

#### 8.5 Effect Size

Since the GPM confirms that the outcomes of a GCO's GAM performance are influenced by the structural, strategic and cultural fit between the supplying and buying company, it is of additional interest how the individual dimensions of the three fit domains are related to the two GAM performance indicators. Therefore,

Zou and Cavusgil's (2002) approach for measuring effect sizes, which also found use by Atanasova (2007), was adopted as a final assessment. Therefore, the loadings of the individual dimensions on their second order constructs were multiplied with the path coefficient of the related domain to the two performance indicators. This procedure allows identifying and comparing direct as well as indirect effects of the individual dimensions on the variables of interest: relational and financial performance. The results are visualised in Table 27:

Variables	Structural Fit	Strategic Fit	Cultural Fit	Relational Performance	Financial Performance
<b>Structural Fit</b>				<b>0.27</b>	<b>0.40</b>
Personnel Match	0.63			0.17	0.25
Geographical Coverage	0.61			0.17	0.25
Internal Supply	0.69			0.19	0.27
Process Fulfilment	0.54			0.15	0.22
<b>Strategic Fit</b>				<b>0.24</b>	<b>0.66</b>
Product Strategy		0.52		0.13	0.34
Market Operations		0.78		0.19	0.52
Growth Alignment		0.52		0.12	0.34
<b>Cultural Fit</b>				<b>0.67</b>	<b>0.25</b>
Organisation Congruence			0.75	0.50	0.19
Adaptability			0.69	0.46	0.17
Level of Innovation			0.53	0.36	0.13
Collaboration			0.81	0.54	0.20

**Table 27: The effect of individual dimensions on GAM Performance**

Considering the effect size on both the performance indicators, the impact of all four STRUFIT dimensions is of a rather low magnitude with INTSUP having the strongest impact on relational performance (.19) and a slightly higher effect on financial performance (.27). The impact of the strategic fit factors PROSTR (.13), MAROPE (.19) and GROALI (.12) on relational performance exist in a similarly small magnitude but show a significant higher effect size on financial performance. MAROPE accounts for the strongest influence on both. With regards to the cultural

fit domain, it is indicated that ORGCON (.50), ADAPTA (.46), LVLINN (.36) and COLLAB (.54) are overall the strongest drivers of relational performance of GCOs, whereas their direct influence on financial performance is rather small.

In summary, the dimensions of the strategic fit domain (MAROPE, PROSTR, GROALI) have the highest contribution to financial performance, cultural fit aspects (COLLAB, ORGCON, ADAPTA, LVLINN) are the strongest drivers for relational success and the structural dimensions (INTSUP, PERMAT, GEOCOV, PROFUL) have a low impact despite equally impacting both performance indicators.

## 9 Discussions and Conclusions

This final chapter summarises the research process and corresponding findings presented in the previous chapters, thereby re-evaluating and discussing the research objectives and reflecting on the overall research aim. In addition, the theoretical contributions, practical implications and limitations outline the overall context of the presented work and provide directions for future research.

### 9.1 Summary of Key Findings

The following sections review key findings obtained through the research progress.

#### 9.1.1 Research Objective (1): Factors and dimensions

This research objective sought ‘*an investigation into current key- and global account management literature in order to identify factors and dimensions that influence supplier-customer relationships*’. Accordingly, as presented in Chapter 1, the literature on KAM and GAM was thoroughly reviewed and analysed. In addition, the literature on corporate culture revealed interesting factors and dimensions that influence several types of relationship dyads. The respective findings of all three academic disciplines are summarised in the following.

#### **(1) Key findings in KAM literature**

It can be concluded that academics commonly label KAM as a systematic and strategic sales approach by which supplying companies provide and dedicate

particular resources to focus on geographically dispersed business customers with high strategic importance (e.g. Barrett 1986, Abratt and Kelly 2002, Workman et al. 2003, Davies and Ryals 2014). Furthermore, given the fact that one of the main foci of KAM lies in the establishment of sustainable long-term relationships, the literature tends to agree that KAM builds on, and more importantly emerges as an evolutionary element of, relationship marketing theory (Millman and Wilson 1996, McDonald et al. 1997, Cheverton et al. 2004, Gounaris and Tzempelikos 2014). This shift from traditionally transactional relationships towards relational customer acquisition and retention approaches describes, amongst other factors, increased customer focus, orientation and commitment as key aspects of successful relationship development and management strategies within business environments (Grönroos 1994, Payne 1995, Berry 2002, Christopher et al. 2013).

Thus, by, spanning the gap between the conceptualisation and operationalisation of relationship marketing, KAM offers supplying companies a formalised approach that bundles relational customer management practices in order to achieve sustainable supplier-customer relationships (Millman and Wilson 1996, McDonald et al. 1997, Davies et al. 2010). However, not least due to their high complexity, it needs to be acknowledged that KAM relationships usually develop in phases, involve key elements such as trust and commitment and require that increased value is offered to the dyad. Subsequently, the supplier must be able to adapt their strategic focus, management practices and culture to both strengthen the motivation for and shape the scope of the relationship (Dwyer et al. 1987, Millman and Wilson 1995, Lambe and Spekman 1997, McDonald et al. 2000). Hence, in view of the aforementioned, and as the chronological literature review presented in Appendix A1 underlines, academics and scholars have evaluated, examined and addressed a wide range of important factors and dimensions that influence the outcomes of supplier-customer relationships. These include among others, the benefits of KAM, KAM structure, KAM implementation, KAM personnel, KAM relationships, KAM strategy, KAM success and KAM performance (Pegram 1972, Platzer 1984, Wotruba and Castleberry 1993, McDonald, Millman and Rogers 1997, Kempeners



and van der Hart 1999, Workman et al. 2003, Richards and Jones 2009, Nätti and Palo 2012, Guenzi and Storbacka 2015).

### **(2) Key findings in GAM literature**

Global account management contextualises the centralised and dedicated coordination of global sales and relationship management activities with statistically important international and global customers (e.g. Yip and Madsen 1996, Montgomery et al. 1999, Harvey et al. 2003b, Shi et al. 2004). Mainly triggered by continuous internationalisation and globalisation of the markets, the resulting formation of centrally, globally managed customers and the urge of supplying companies to pursue a global strategy at the beginning of the 1990s, GAM is often categorised as a natural development: an international or global extension of traditional KAM practices (Yip and Bink 2007, Shi et al. 2010).

Therefore, as identified in 2.2.3, the implementation of GAM challenges and supports supplying companies in five key dimensions: **(1) Organisational structure**; while few researchers outline the benefits of preponderantly centralised or centralised-decentralised GCO structures (e.g. Hollensen 2006, Atanasova 2007), others find that a structural overlap, alignment, coverage or fit strengthens the supplier's position and bargaining power within the supplier-customer relationship (e.g. Montgomery and Yip 2000, Birkinshaw et al. 2001, Shi et al. 2004, Toulou 2006, Krentzel 2009). **(2) Processes**; in order to facilitate global customer management and increase performance, researchers report that GAM requires the implementation of new global processes, including global strategy, information systems, global terms and conditions, cross-country coordination, reconfiguration, value added services, strategic planning, reporting, information sharing, global budgeting and performance compensation processes (Yip and Madsen 1996, Wilson and Weilbaker 2004, Shi et al. 2005, Yip and Bink 2007). **(3) People**; to offer improved value through efficient customer interface design, GAMgrs as political entrepreneurs must overcome intercultural and intrapersonal barriers, understand the global economy, exchange knowledge across national and organisational borders, manage geographically dispersed teams, resolve conflicts between global and local interests and strengthen a global mind-set (e.g. Millman

and Wilson 1999b, Wilson and Millman 2003, Zupancic and Müllner 2008, Ryals and McDonald 2010). **(4) Culture**; a customer-oriented, proactive, collaborative and aligned global culture facilitates global strategy and GAM activities and generally reinforces global customer relationships (e.g. Wilson et al. 2002a, Toulan et al. 2006, Jean et al. 2015). **(5) Strategy**; GAM enhances global market participation, global product / service development, global value-adding activities, globally uniform marketing and global competitive moves and thereby supports the exploitation of new and the reshaping of existing business relationships (Millman and Wilson 1999b, Shi and Wu 2011, Shi et al. 2010, Zou and Cavusgil 2002).

Furthermore, the nine models analysed in section 2.2.4 mainly discuss the environment, inter-organisational and internal capabilities of supplying companies and thereby indicate that the key elements of GAM performance and sustainable supplier-customer relationships are: GAM implementation (Montgomery and Yip 2000), information processing capacity and relative bargaining power (Birkinshaw et al. 2001), collaboration orientation, GAM strategic fit and GAM configuration (Shi et al. 2004), strategic and structural fit (Toulan et al. 2006), inter-country coordination (ICC), inter-organisational coordination (IOC), marketing activities standardisation and global integration (Shi et al. 2010, Gao and Shi 2011), centralising strategic and tactical GAM activities (Swoboda et al. 2012) as well as IKAM capability (Jean et al. 2015).

### **(3) Key findings in corporate culture literature**

Not least because researchers conceptualise corporate culture as a key dimension impacting on GAM implementation and performance (Toulan et al. 2006, Yip and Bink 2007, Richards and Jones 2009, Jean et al. 2015), literature on the concept and its impact on supplier-customer relationships forms the third and last major academic field covered in the literature review. Therefore, academics generally find that culture spans a behavioural framework that shapes a company's core identity or individually encompassing collective principles, norms, values and beliefs (Schein 1988, Kotter and Heskett 1992, Ravasi and Schultz 2006, Hill and Jones 2011). Moreover, besides the fact that the phenomenon can scarcely be specified through universally valid dimensions and characteristics (Van der Post et al. 1998),

the literature provides a wide range of models and frameworks that aim at its conceptualisation and attempt to provide guidance for the cultural orientation of a company (e.g. Handy 1976, Schein 1990, Hofstede et al. 1990, Deshpandé et al. 1993, Carmazzi 2007).

In this context, culture is nevertheless recognised as an important and influential dimension that significantly contributes to the success of a company. To be more precise, researchers outline that specific factors not only define a firm's overall capabilities but are more importantly key determinants of its competitiveness, customer and market orientation and hence its financial as well as overall performance. Specifically, these include: value and ideology cohesion, consistency, equality between strategy and culture (Arogyaswamy and Byles 1987b), market (re-) adaptation, customer, employee and stakeholder orientation (Kotter and Heskett 1992), strategic vision, continuous evaluation and alignment, value based training and recruiting (Van der Post et al. 1998), market orientation (Homburg and Pflesser 2000), customer orientation, flexibility and learning capacity (Brady and Cronin 2001) and service orientation (Gebauer et al. 2010).

Finally, considering the scope of Research Objective 1, the literature on the role of culture in inter-organisational relationships revealed several key findings. Particularly with regards to the effect of culture in **(1) supplier-buyer and inter-organisational relationships**, it transpired that while customer culture significantly moderates the relationship dyad (Hewett et al. 2002), supplier culture interacts with relationship equality, satisfaction and performance (Jarratt and O'Neill 2002:34) and organisational culture differences (OCD) interfere with commitment to and intention to renew the relationship (Plewa 2009). Likewise, as the literature on culture in **(2) strategic alliances and joint ventures** shows, cultural compatibility and OCD are important dimensions of and predictors for the success of the two forms of inter-organisational relationships (Sarkar et al. 2001, Damanpour et al. 2012). Lastly, and even more concretely, the concepts of cultural fit and culture compatibility have been proven to significantly strengthen or hinder the realisation of **(3) mergers and acquisitions** (Chatterjee et al. 1992, Cartwright and Cooper 1993, Mendenhall 2005, Lodorfos and Boateng 2006).

### **9.1.2 Research Objective (2): Conceptualisation of the GPM**

Supported by the findings from Research Objective 1 and further analysis of existing theory, the second research objective, '*the evaluation and refinement of theoretical findings by gaining first-hand, practical insights from GAM experts and the conceptualisation of a comprehensive global account managed performance model (GPM)*' was mainly addressed through a single case study within a leading global automotive supplier and encompasses the unique input of the 21 interviewed GAM experts. The interactive conception of 'fit', as a static match between actors and / or conditions (Drazin and Van de Ven 1985), which has received particular interest in the field of GAM and culture literature (e.g. Cartwright and Cooper 1993, Toulan et al. 2006) formed a central element of the discussions with the interviewed experts. The outcomes of the performed template analysis discussed in section 5 indicate that the concepts of structural, strategic and cultural fit are found to be important drivers for successful global supplier-customer relationships. Hence, the conceptual GPM presented in Figure 12 include the three fit domains as reflective second order constructs comprised of their respective dimensions, elements and assumed interrelations with GAM performance. Furthermore, taking earlier study results into consideration, a positive influence of relational on financial performance was expected. Consequently the four major hypotheses proposed in 5.6.1 accompany the conceptual GPM. The respective construct composition will be further summarised in the following paragraphs.

#### **(1) The structural fit domain**

The concept of structural fit (STRUFIT) defines the degree to which suppliers offer matching and compatible GCO structures to their global customers in order to provide a customer-orientated and responsive organisational set-up with a direct impact on their performance. Based on the template analysis outcomes, STRUFIT represents a second order construct encompassing four individual key dimensions: First, covering both personal and professional elements, the newly developed construct personnel match (PERMAT) reflects the level of similarity between the associates working at the selling / buying interface. Second, geographical coverage (GEOCOV) measures whether suppliers cover major customer locations by

offering support in the form of dedicated units or representatives at key locations of the global account. Third, characterised as a key dimensions of GAM success, internal support (INTSUP) indicates the extent of internal organisational support. As a last major dimension of the structural fit domain, the ability to fulfil customer processes (PROFUL) was identified as a key capability for business acquisition and customer retention, representing a unique indicator determining GAM performance.

### **(2) The strategic fit domain**

Constituting a second major TA outcome, the strategic fit (STRAFIT) domain indicates the extent of congruence between supplier and customer strategy. Therefore, the second order construct comprises three GAM dimensions based on previously examined theoretical findings. The first dimension, product strategy (PROSTR), describes the extent to which suppliers align their product / service portfolio to match customers' demands and requirements. Furthermore, market operations (MAROPE) reflect the intent and commitment to peruse market-specific operations in cooperation with global customers. Finally, evaluating aligned global and regional growth plans between GCOs and global customers, (GROALI) forms the third key dimension of the STRAFIT domain. Against this background and with regards to the conceptual GPM, STRAFIT is also hypothesised to predict relational and financial performance outcomes.

### **(3) The cultural fit domain**

The third main construct included in the GPM, the cultural fit (CULTFIT) domain, can be categorised as a novel finding that emerged during the discussions with the GAM experts. Of particular interest here is the fact that the majority of the interviewed experts reported increasing awareness concerning importance of corporate cultural assessments during the customers' supplier sourcing processes. In this context, CULTFIT represents the degree of cultural compatibility between customers and suppliers in a narrower sense and is supposed to enhance the relational and financial outcomes performance of the supplier-customer relationship. With regards to the composition of CULTFIT within the particular

GAM background, organisational congruence (ORGCON) represents the compatibility of suppliers and customers amongst several organisational and cultural characteristics. Furthermore, adaptability (ADAPTA) describes the level of supplier-customer congruence with regard to the ability adapt to changes in the overall operation and market environment. Additionally, CULTFIT encompasses the level of innovation (LVLINN) and collaboration (COLLAB) dimensions, assessing the dyad regarding the extent of similarity to innovation focus and the ways in which the supplier and customer companies collaborate.

#### **(4) GAM performance**

As a final result, and similar to previous studies (Birkinshaw et al. 2001, Homburg et al. 2002, Atanasova 2007), the interview template specified and confirmed two distinct types of GAM performance. Firstly, relational performance (RELPER) including: conflict resolution, trust, early involvement, target achievement, long-term scope and business continuity. Secondly, financial performance (FINPER) including: growth in sales, profitability, share of global customer wallet and cross-selling into various customer divisions.

#### **9.1.3 Research Objective (3): The generalisation of the GPM**

As the GPM was mainly conceptualised from a single case study, concerns are raised with regard to the generalisability and therefore the validity of the results (Stenbacka 2001, Patton 2002). Thus, in order to achieve credible and defensible results, the third and final research objective was aimed at '*the generalisation of the GPM through empirical assessment and statistical validation*'. To complete this objective, a large-scale, multi-sector, international online survey was performed to test the previously conceptualised global account management performance model as well as the four hypothesised interrelations amongst the proposed GAM dimensions. The results of 199 completed questionnaires served as a basis for several statistical validation procedures summarised in the subsequent paragraphs.

#### **(1) Assessment of STRUFIT, STRAFIT, CULTFIT, RELPER and FINPER**

Initially, the majority of the hypothesised factor compositions for STRUFIT disclosed strong Cronbach's Alpha values. Only item <sub>(INTSUP\_2)</sub> 'Our Top

Management is not actively involved in GAM activities and does not support project acquisitions.’ had to be removed from the internal support scale. This effect might stem from misinterpretation of the negatively phrased item and its respective question in the survey. Nevertheless, the newly developed scales for personnel match and process fulfilment as well as the previously tested geographical coverage construct are considered as reliable. During further examination, the exploratory and confirmatory factor analyses supported the validity of all four proposed dimensions.

Subsequently, the scale reliability analysis underlines the reliability of the proposed STRAFIT dimensions. Through EFA and CFA, item <sub>(GROALI\_1)</sub> ‘The growth plan of our Global Account Management organisation is in line with our customer’s global planning... in terms of market share.’ had to be removed due to an unsatisfactory factor loading. Nevertheless, the results clearly confirm the validity of the composition of the strategic fit domain and thereby provide valuable guidance for supplying companies in terms of strategic GAM orientation.

In addition, for CULTFIT, the newly introduced dimension organisational congruence and constructs adapted from the literature (adaptability, level of innovation and collaboration) demonstrate, as conceptualised, sufficient scale reliability. Moreover, after the removal of <sub>(ORGCON\_3)</sub> ‘Our company type is similar to our customers (e.g. LLC, Inc., Corp.)’, they show high validity through the EFA and CFA validation procedures.

Finally, analogous to <sub>(INTSUP\_2)</sub>, the negatively phrased item <sub>(Relper\_6)</sub> ‘it is very unlikely that we continue the business relationships with our Global Account in the future.’ showed weak inter-item total correlation during the performed scale reliability analysis and was subsequently removed during EFA. Nevertheless, CFA results confirmed the factor compositions of the two performance indicators RELPER and FINPER.

### **(2) Validation of the GPM and hypotheses testing**

Surprisingly, the initial structural path model indicated a negative and marginally significant path of influence from RELPER to FINPER. However, as argued in

Chapter 8.4 this result was not only highly contradictory to common theoretical knowledge but strongly contrasted the practical insights gained through the performed interview. Therefore, not least to avoid a confirmation bias induced by the structural equation model, the negative path of influence between the two performance variables was removed from the conceptual GPM. In doing so, an adjusted and final GPM showing satisfactory levels of model fit was established for testing the four proposed hypotheses.

Thereby, building upon the final GPM, Hypotheses 1a and 1b, that structural fit between supplier and customer has a significant and positive influence on the two GAM performance variables in GAM relationships, found statistical support. In a similar vein, Hypotheses 2a and 2b, linking the strategic fit domain with positive GAM outcomes, were confirmed through the structural path analysis and therefore also constitute major outcomes of this work. Furthermore, supporting Hypotheses 3a and 3b, GPM can be categorised as comprehensive, novel and unique. Due in particular to the fact that the cultural fit and its influence on global customer relationships within a GAM context was tested and confirmed using empirical research methods for the first time, the existing performance frameworks were extended by outlining the positive effect that fitting cultures in global supplier-customer relationships may have on GAM performance. Finally, during the evaluation of Hypothesis 4, which was formulated on the basis of prior studies, a positive correlation between relational and financial performance could not be confirmed due to constraints in the initial structural path model. However, as the confirmation of the relationship proposed in Hypothesis 4 was not central to the scope of this study, the overall results provide valuable insights as to which factors influence GAM performance.

#### **9.1.4 Additional Research Findings**

In addition to the findings that resulted from the assessment of each research objective, several supplementary outcomes with regards to GAM and the GPM could be identified during the research process.



### **(1) Sample composition**

In spite of the dominance of participants from Europe and the manufacturing / engineering section, the composition of the survey sample for the large-scale study revealed that GAM is a global and industry-spanning venture. Furthermore, as the responses show, GCOs encompass a varying number of employees, cover a broad band of generated turnover and include different hierarchical levels. However, as most of the respondents had only 3-11 years of experience in GAM, it is clear that GAM programmes are still relatively young. Additionally, less than a quarter of the participants were females, suggesting that positions related to GAM are still highly dominated by males.

### **(2) Performance based comparison**

The comparison of survey data from low and high performing GCOs demonstrates that high performing GCOs show higher scores than low performing customer organisations for all of the tested dimensions. The reported data completes the overall picture and underpins the fact that supplying companies striving for superior GAM and GCO performance should pursue a high fit in all three domains: structure, strategy and culture.

### **(3) Effect sizes**

As the effect size measurements presented in Table 27 show, the structural fit domain has a comparatively moderate influence on the two performance dimensions. This phenomenon could be attributed to the fact that global customers demand their suppliers to be globally present or at least cover major customer locations (Yip 1992, Yip and Madsen 1996, Birkinshaw et al. 2001, Toulan et al. 2006, Shi et al. 2010). Thus, matching organisational structures have become hygiene factors which do not necessarily correlate with positive perception but show strong negative impact if not given. Furthermore, the outcomes of the analysis reveal that strategic alignment significantly impacts upon the financial outcomes of GCOs. In particular, aligned market operations were identified as critical moderators of financial success. Therefore, based on the evidence provided, it can be derived that cooperative, market-specific operations should receive top

strategic priority within supplying companies in general and in GCOs in particular. Likewise, the high impact of the cultural fit on relational performance implies that the examined dimensions (organisational congruence, adaptability, level of innovation and collaboration) are critical moderators of GAM and should be carefully aligned in supplier-customer relationships to achieve reasonable relational results.

## **9.2 Reflections on the Research Aim**

Considering the overall research aim, *‘to develop a comprehensive global account management performance model (GPM) that expands current theoretical frameworks and generates enhanced knowledge of underlying mechanisms in GAM, thereby guiding supplying companies and their global customer organisations (GCOs) to become more successful in managing global business relationships’*, the findings of the presented work generally confirm the highly complex and challenging nature of GAM.

Against this background, the literature review addressed through Research Objective 1 not only underpins the relatively high number of dimensions and factors that influence supplier-customer and other forms of inter-organisational relationships but that it furthermore locates the underlying principles of KAM and corporate culture within the context of GAM. Hence it serves as a strong theoretical foundation regarding the overall research aim. Likewise, considering the scope of Research Objective 2, the qualitative analysis of 21 expert interviews formed a critical element in the completion of the research aim. This means that the concepts of structural, strategic and cultural fit as three higher level domains have been identified alongside a substantial influence on relational and financial GAM performance in the context of GAM. Furthermore, during the assessment of Research Objective 3, 199 survey responses from international participants supported the adaptation, validation and generalisation of the theoretical and practical findings and, for the first time, provided empirical evidence for cultural fit in GAM. Hence, the final GPM presented in Appendix (D1) adds a new perspective to GAM research and extends previous performance frameworks.

Taken together, Research Objectives 1-3 lead to the development of a new and unique global account management performance model that can be used by supplying companies to revise, align and improve their GAM activities. Consequently, the underlying research aim of the presented thesis was fully accomplished.

### **9.3 Research Contributions**

This research provides novel and unique insights into performance determinants in global customer relationships that were gained by combining the two research streams GAM and corporate culture. To date, no comparable study has been performed with similar depth and intensity. Consequently, this thesis contributes to theories of GAM and corporate culture and has significant implications for managers and professionals.

#### **9.3.1 Contributions to the Theory**

One major contribution made by the presented study is the conceptualisation and validation of a comprehensive and holistic global account management performance model, GPM, which fills the contextual research gaps summarised in section 2.4.1 and thereby complements the relatively young and under-researched field of GAM. More specifically, the impressions gained through the three research phases support the common consensus that GAM is a highly complex and challenging endeavour for suppliers that introduces opportunities as well as pitfalls (Krentzel 2009). Similar to the literature, this thesis supports the view that structure, processes, people, culture and strategy constitute key dimensions that affect supplying organisations in their approaches to implementing performant GCOs and pursuing GAM. Moreover, it bridges the link between inter-organisational and internal supplier capabilities as critical predictors of GAM outcomes and thus contributes to an area generally suffering from a lack of research.

Furthermore, the GPM greatly contributes to previous knowledge as it overcomes the limitations of conventional GAM frameworks by encompassing forty-nine items, thirteen first and three second order constructs. Therefore, in contrast to high

level approaches (Montgomery et al. 1999, Montgomery and Yip 2000), academics are offered a very detailed, comprehensive and most importantly a validated set of factors. As a result, the presented thesis acknowledges Shi et al's (2005) call for further empirical research and adds to our understanding of what actually influences GAM outcomes and really determines GCO performance.

Additionally, this work has extended two multi-faceted GAM performance indicators: the concepts of structural and strategic fit. Unlike prior account management research (Shi et al. 2004, Toulan et al. 2006, Richards and Jones 2009), this study overcomes the limitations of its conceptualisation and establishes one of the most holistic insights into the composition and recurring interrelations of the two constructs. Likewise, as indicated in 9.1.1, the current literature on GAM performance tends to focus on broad sets of GAM strategies (Shi et al. 2010, Gao and Shi 2011), the centralisation of GAM activities (Birkinshaw et al. 2001, Swoboda et al. 2012) or the antecedents of GAM capability (Jean et al. 2015) and has thus long ignored the role of other influential, internal and inter-organisational capabilities. Hitherto, the GPM is the only model in its class that followed Yip and Bink's (2007) recommendation of evaluating structural, strategic and cultural fit in GAM relationships. As such, it significantly contributes to the theory by re-evaluating traditional account management concepts, extrapolating knowledge from areas which have traditionally received scholarly attention and thereby opening a completely new interdisciplinary contemplation for GAM research.

Academics have long advocated that appropriate corporate culture both represents a key dimension for KAM and GAM implementation (e.g. Yip and Madsen 1996, Millman and Wilson 1999a, Homburg et al. 2002, Krentzel 2009, Salojärvi et al. 2010) and plays a critical role in supplier performance (Shi et al. 2004, Jean et al. 2015). By providing additional practical exploration, identification and evaluation of the role of corporate culture in global supplier-customer relationships, this research not only contributes to the theory but also extends conceptual frameworks that indicate cultural synergy as a facilitator in the establishment of sustainable and advantageous GAM dyads (Wilson et al. 2002a, Yip and Bink 2007).

Here, of further substantial importance and novelty is the fact that, the majority of the interviewed GAM experts recognise raising customer awareness with regards to supplier's culture and cultural compatibility as an increasingly decisive element within customer sourcing processes. To be more precise, this exclusive finding supports researchers' perceptions that global and customer-oriented cultures are increasingly crucial in successfully building and managing international business relationships and captures the phenomenon for the first time in a GAM context. With a similar level of originality, the qualitative and quantitative evidence obtained through the development of the GPM fundamentally underpins the role of cultural fit as a critical relational and financial performance determinant for GCOs. Hence this research provides a more comprehensive theory and unique insights into the complex underlying mechanisms of global business relationships.

Throughout its development process, the GPM exposed several first and second order constructs with unique factor compositions. The qualitative study revealed three exclusive constructs which had not previously been examined in the presented combination in their respective research contexts: personnel match, process fulfilment and organisational congruence. The analysis procedures in the qualitative and quantitative parts of the study showed strong confirmation of their reliability and validity. Consequently, their generalisation and application in comparable fields of research by other researchers and scholars seems purposeful.

Thus, a key strength of the presented study is the significance of the data used to generate the research results. In particular, the case study, which was comprised of 21 interviews from within a leading global automotive supplier that has had GAM structures in place on every continent for over 20 years. This provided exclusive perceptions across a broad band of hierarchy levels and thus assured very high data quality. In addition, using a large data sample of international account management professionals served to extrapolate the scope of the GPM outside a specific industry and adds highly valuable empirical data to the body of GAM literature.

Finally, besides strengthening our understanding of global account management, the aforementioned outcomes further account for significant implications in

corporate culture literature. By focusing on truly global business environments, the presented study pinpoints the critical role of culture in customer-supplier and inter-organisational relationships and thereby complements previous work in this area (Hewett et al. 2002, Jarratt and O'Neill 2002).

The contributions to the theory...	complement:	extend:	provide new and unique:
<b>Global Account Management</b>	<ul style="list-style-type: none"> <li>The relatively recent and sparse amount of GAM literature.</li> <li>Our understanding of GAM as a highly complex endeavour for suppliers that entails challenges, opportunities and pitfalls.</li> <li>Researcher's view of five key organisational dimensions that affect GAM and GAM implementation: structure, processes, people, culture, strategy.</li> <li>The link between inter-organisational and internal supplier capabilities as critical performance determinants of GAM programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Current GAM performance models and add detailed knowledge of what actually fosters GAM (Shi et al. 2005).</li> <li>The conceptual (e.g. Shi et al. 2004, Richards and Jones 2009) and empirical (Toulan et al. 2006) perspective of structural and strategic fit in GAM.</li> <li>GAM research outlining culture as critical factor for supplier performance (Shi et al. 2004, Jean et al. 2015).</li> <li>Conceptual frameworks indicating cultural fit as a facilitator of GAM (Wilson et al. 2002a, Yip and Bink 2007).</li> </ul>	<ul style="list-style-type: none"> <li>Insights into the increasing importance of supplier culture and cultural compatibility as a decisive element in customer sourcing.</li> <li>Qualitative and quantitative evidence for cultural fit as a critical relational and financial performance determinant in GAM relationships.</li> <li>Construct measures for GAM research (personnel match, process fulfilment and organisational congruence).</li> <li>Data from in-depth interviews with GAM experts from a leading automotive supplier as well as cross-industrial, international account management professionals.</li> </ul>
<b>Corporate Culture</b>	<ul style="list-style-type: none"> <li>Previous work on the role of culture in supplier-buyer / inter-organisational relationships (Hewett et al. 2002, Jarratt and O'Neill 2002) .</li> </ul>	<ul style="list-style-type: none"> <li>The significance of cultural fit by transferring the concept from M&amp;A literature, an area traditionally focused on in culture research, to global business exchange.</li> </ul>	-
<b>Relationship Marketing</b>	<ul style="list-style-type: none"> <li>General relationship marketing theory by outlining the importance of relational performance in supplier-customer dyads and factors influencing these.</li> </ul>	<ul style="list-style-type: none"> <li>Traditional RM literature that ignores the influence of corporate culture on supplier-customer relationships (Plewa 2009).</li> </ul>	-

**Table 28: Summary of theoretical contributions**

In a similar vein, it applies the theory of cultural fit mainly used for culture research on M&A (Chatterjee et al. 1992, Weber et al. 1996, Lodorfos and Boateng 2006) and transfers it to a context of global business exchange. By going one step further, the presented thesis also reinforces the principles of relationship marketing and helps overcome the limitations of traditional perspectives which are criticised for mostly ignoring culture's influence in the context of supplier-customer relationships (Plewa 2009). Consequently, the contributions summarised in Table 28 clearly demonstrate that this study significantly contributes to the theory by offering an exclusive and comprehensive global account management performance model that complements, extends and provides new and unique insights on previous knowledge of GAM, corporate culture and relationship marketing research.

### **9.3.2 Managerial Implications**

With growing customer demand for GAM increasing its importance, practitioners are highly interested in account management strategies and dimensions that reliably enhance a supplier's overall GAM performance and relationships with global accounts (Yip and Madsen 1996, Harvey et al. 2003a, Shi et al. 2010). Therefore, this thesis is important to managers and executives seeking to implement, operate and enhance the outcomes of their global customer organisations. More precisely, it raises awareness of the role of culture in GAM, outlines the importance of structural, strategic and cultural fit between both parties of the dyad, supports the decision making of GAM managers and executives and supports the transition from key- to global account management:

#### **(1) The role of culture in GAM**

The presented thesis evaluates a comprehensive set of factors and dimensions that determine the success of global customer organisations. Considering the results of the literature review and the impressions gained during the expert interviews, it can be assumed that the importance of appropriate structural and strategic alignment towards customers has long been recognised by suppliers. However, this thesis additionally reveals that, partly due to the under-researched state and novelty of the

phenomenon, cultural dimensions are becoming increasingly important in global business-to-business interactions. Therefore, managers and executives of supplying companies are advised to reflect upon their corporate culture to ensure the company's overall global market orientation and thereby overcome rather traditional customer and relationship management perspectives.

## **(2) The importance of fit**

The conceptualisation and validation of the GPM suggests that the presence of structural, strategic and cultural fit leads to improved financial and relational GAM performance outcomes for suppliers in dyadic GAM relationships. An important managerial implication of this finding is that the concept of fit constitutes a key factor for successful GAM and should be attended to along the three discussed dimensions and at all stages of GAM relationship development. Even if practitioners might tend to view structural and strategic aspects, like pricing and quality, as more important than culture in global business relationships, the overall results of this study clearly indicate that cultural compatibility helps suppliers gain the decisive edge in a highly competitive market environment. Therefore, the construct compositions and underlying interrelations offered in this work enable practitioners better recognise different aspects and levels of extent that influence the compatibility of global suppliers and customers and thus supports management practices towards enhanced customer orientation and sustainable success.

## **(3) Supporting decision making**

The fact that the GPM mainly incorporates elements that can be directly controlled and influenced by the organisation's decision makers contributes additional value to the practice. More specifically, the GPM not only allows the assessment of but also facilitates the rapid synchronisation of GAM activities in order to provide well-structured, fully developed and most importantly, customer-specific GCOs. Here, focus should be upon the internal and external comparison of the three fit domains and their corresponding dimensions. Understanding the respective effect sizes, demonstrated in Table 27, enables GAM managers and executives to estimate



the potential impacts of their decisions and optimally allocate resources to counter deficiencies in customer interfaces.

### **(4) Transitioning from KAM to GAM**

Last but not least, the GPM can be used as a practical tool to evaluate a potential transition from key- to global account management. Decision makers can, for example, use the GPM items and constructs as a checklist to gauge whether devoted GAM efforts would suit their market environment or target customers and whether the supplier has the structural, strategic and cultural capabilities to offer superior GAM support. In consequence, the GPM supports supplying companies in the decision whether to implement appropriate GAM programmes and GCO structures, which naturally come with a series of organisational challenges, remarkable financial investments and increased resource requirements.

## **9.4 Limitations and Directions for Further Research**

This research project followed best practice principles of academic research to develop a holistic global account management model. Nevertheless, the limitations of the study provide opportunities to further test and expand the GPM:

- The herein presented research should be understood as a starting point for researchers and practitioners seeking to widen their customer management practices and develop more customer-orientated GCOs rather than a rigid and closed action framework. This is mainly due to the exploratory characteristics of the three fit domains. The outlined results contribute to a broader systematic by demonstrating prevailing interrelations between suppliers and customers. As their level of complexity is limited to a relatively high level, future research might seek an in-depth evaluation of each individual concept to identify potential antecedents, connecting elements, moderation effects or unrevealed dimensions.
- From a methodological perspective, it has to be recognised that the performed interviews are part of a single case study and that the multi-company / industry survey raised questions with regards to general reliability and validity. In the

case of the first, the results of research Phase 2 were mainly collected from a single company. Although, the company, as an industry leader, is highly representative and sample selection was performed carefully, upcoming studies are encouraged to build on multiple data sources to enhance validity. In comparison, data for the empirical study performed in Phase 3 was collected from a high number of companies. Future studies could build on this initial research as a more homogenous survey sample would theoretically lead to even higher statistical reliability.

- Considering the high degree of complexity and the fast-changing environment of an international business context, the cross-sectional character of this work could have reduced significance in the long-term. Longitudinal studies capturing the dynamic effects of GAM relationships could therefore provide additional evidence for the significance and stability of the proposed constructs.
- Finally, a further limitation is that the presented work exclusively provides a supplier's point of view. It was beyond of the scope of this research project to test the GPM and the three identified influential domains within a customer context, future research could address the presented findings from a customer's perspective to overcome this limitation and further validate and refine the outcomes obtained herein.

Concluding the outcomes of this research project, the need for innovative GAM concepts was presented and a bridge for the interdisciplinary transfer of knowledge constructed. Future researchers should follow and expand the results using this methodology to identify unrevealed correlations in GAM relationships and thus contribute to effective global supplier-customer relationships.

## **9.5 Concluding Remarks**

The overarching goal of this PhD project was to provide a comprehensive and holistic understanding of the underlying mechanisms in global account management. For this reason, traditional GAM research and performance frameworks were extended and the critical role of corporate culture was identified as the third major dimension influencing financial as well as relational GAM

outcomes. Considering the detailed insights gained in the different research phases, it is hoped that the presented work contributes to an increased economic value of global account management for both suppliers and customers in a symbiotic and sustainable manner.

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## Appendix A1: Chronological KAM / GAM Literature Summary

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
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### (1) The genesis of KAM

Pegram	(1972)	KAM implementation / structure	250 interviews in manufacturing and service companies	Discusses benefits of KAM implementation throughout full- and part-time positions.
Stevenson and Page	(1979)	KAM implementation / structure	Conference board survey	Evaluates drivers for the adoption of KAM programmes

### (2) The professionalisation of KAM

Stevenson	(1981)	KAM implementation / structure	34 executive interviews in 33 companies	Advantages and benefits of introducing KAM.
Shapiro and Moriarty	(1982)	KAM dimensions	Study including interviews with 19 sales and marketing executives	Reports that key accounts are complex and large customers. KAM serves to establish institutional relationships across multiple organisational levels.
Platzer	(1984)	KAM dimensions	130 interviews with national account executives	Outlines activities for key accounts (KA), types of key account units and success factors of KAM
Shapiro and Moriarty	(1984a)	KAM implementation / structure	100+ interviews in 19 companies	Discusses KA life cycles, profitability of support systems, KAM integration and orientation.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Shapiro and Moriarty	(1984b)	KAM dimensions	100+ interviews in 19 companies	Discusses KA organisation and issues related to span of control, assignment of accounts, and location of account managers.
Colletti and Tubridy	(1987)	KAM implementation / structure	Survey with 105 responses from NAMA members	Focuses on the key account managers' (KAMgrs) roles in terms of job definition, time utilisation, skills, performance measurement and compensation.
Tutton	(1987)	KA segmentation	Conceptual	Describes KA segmentation by <i>sales volume</i> , <i>geography</i> , divisions of a company as well as <i>purchasing characteristics</i> and recommends specific KAM strategies and sales channels.
Wotruba and Castleberry	(1993)	KAMgrs	Survey with 107 responses from NAMA members	Evaluates recruitment procedures for KAMgrs. <i>Long tenure</i> , <i>focus on order closure</i> , <i>revenue focus</i> , <i>full time responsibility</i> and <i>age of KAM program</i> positively affect account manager performance.
Boles et al.	(1994)	KAM implementation / structure	Conceptual	Presents a structured method of examining the validity of KAM organisations: <i>The national account marketing program audit</i> .
Millman and Wilson	(1995)	KAM implementation / KAM relationships	Not revealed	Discusses the nature of KAM, presents a KAM relational development model ( <i>Pre-</i> , <i>early-</i> , <i>mid-</i> , <i>partnership</i> , <i>synergistic</i> , <i>uncoupling KAM</i> ) and outlines the transition from key account selling to key account management.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Pardo et al.	(1995)	KAM implementation / structure	Case study and 10 Interviews	Builds on interaction theory and describes the reactive / proactive key accountisation process of a firm over 20 years: (1) <i>pre KAM structure</i> , (2) <i>contract operations management unit</i> , (3) <i>KAM unit</i> , (4) <i>private network division</i> Builds on interaction theory and describes the reactive / proactive key accountisation process of a firm over 20 years: (1) <i>pre KAM structure</i> , (2) <i>contract operations management unit</i> , (3) <i>KAM unit</i> , (4) <i>private network division</i> and (5) <i>key customer account unit</i> .
Boles et al.	(1996)	KAMgrs	Survey with 146 responses from national account decision makers	Explores eight categories account manager skills / abilities that decision makers value and provide recommendations for KAMgr training.
Lambe and Spekman	(1997)	KAM relationships	Survey with 118 responses from alliance managers	Investigates buyer-seller relationships and provides a framework including three stages of KAM relations with focus on various characteristics of collaboration: <i>Repeated transaction</i> , <i>long-term relationships</i> and <i>alliances</i> .
McDonald et al.	(1997)	KAM relationships / KAMgrs	Interviews with 11 customer-supplier dyads	Provides qualitative support for relationship development model of Millman and Wilson (1995), explores criteria for customer / supplier selection, discusses skills of KAMgrs ( <i>integrity</i> , <i>service / product knowledge</i> , <i>communications</i> , <i>understanding of buyers business / environment</i> , <i>selling</i> and <i>negating skills</i> ), KAM training, outlines GAM concept.
Napolitano	(1997)	KAM implementation	Unspecified 1996 NAMA survey among Fortune 1000 companies.	Notes that account manager positions tripled between 1991 and 1995 outlines that 53% of the respondents fail in partnering with their customers.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Pardo	(1997)	KAM perception	20 interviews with key accounts from energy supply and communication sector	Identifies three levels of KAM perception through key accounts; <i>disenchantment, interest, enthusiasm</i> . Moderators of perception are <i>perceived product importance</i> and <i>centralisation of purchasing decisions</i> .
Sharma	(1997)	KAM implementation / perception	Telephone survey with 109 buyers of telephone equipment	Conceptualises the interaction between KAM and customers and finds customers' preference for KAM depends on function and form of decision making unit as well as time taken for purchasing.
Sengupta et al.	(1997)	KAM relationships	Survey responses from 176 NAMA members	Notes that (1) <i>seller adaptation, incentives offered</i> , and <i>investments</i> made by the customer increase <i>customer switching costs</i> , (2) the greater the <i>switching costs</i> , the higher the <i>subjective / objective performance</i> of the key account manager.
Weeks and Stevens	(1997)	KAMgrs	Survey with 133 responses from NAMA members	Finds that KAMgrs are not satisfied with training programs. Provides a set of 21 skills / abilities for account managers.
Weilbaker and Weeks	(1997)	KAM evolution	Conceptual	Provides an overview over KAM evolution based on phases of the product life-cycle approach.

### **(3) The internationalisation of KAM**

Millman	(1996)	GAM implementation / drivers	Various mini-case studies	Investigates organisational / implementation issues of GAM, describes the role of KAMgrs in system selling and states that the transition from KAM to GAM requires intra-company coordination / cooperation and centralised / dispersed requirements of multi-national customers.
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Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Yip and Madsen	(1996)	GAM implementation / drivers	3 case studies in global corporations	Uses globalisation framework by Yip (1992, Yip and Madsen 1996) to provide GAM framework and identifies (1) <i>organisation structure, management processes, people</i> and culture as hygiene factors for GAM implementation, (2) <i>global market participation, global products / services, location of value adding activities, globally uniform marketing and global competitive moves</i> as strategic responses to global customers.
Montgomery et al./ Montgomery and Yip	(1998) (1999) (2000)	GAM demand / use / performance	Survey with 191 responses from executives of 165 companies	Builds on / empirically tests Yip and Madsen's (1996) framework and reports (1) interrelation between level of <i>globalisation of customer and demand for GAM</i> , (2) <i>demand of GAM increased</i> from 1995-1999, (3) <i>uniform prices are not strongest driver</i> for GAM demand, (4) <i>the greater the extent of GAM implementation, the greater the suppliers performance</i> , (5) <i>most suppliers will adopt GAM with lagged response</i> to globalised customer demands, (6) <i>greater use of GAM expected</i> in future, (7) <i>use of GAM staff is greater than other aspects of GAM</i> , (8) <i>the better the suppliers GAM programme responds to the customers demand, the more favourable the effect on supplier performance</i> .
Senn and Arnold	(1999a)	GAM implementation	Survey with 200 responses from suppliers and customers, expert interviews and focus groups	Evaluates a three step framework for GAM implementation on strategic, operational and tactical levels and finds that incorporated decision factors impact on global customer satisfaction.
Millman and Wilson	(1999b)	GAM implementation / competencies	Questionnaires, interviews and focus groups with participants from over 180 companies	Investigates required adaptations to deliver <i>global offering</i> , perception of <i>delivered customer value, organisational competences</i> to develop effective GAM, <i>blocks to GAM implementation, role and competencies of global account managers</i> .



Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Arnold et al.	(2001)	GAM implementation / relationships	35 interviews in 10 companies; survey with 107 responses from a mix of GAM related personnel.	Identifies that GAM relationships do not work unless the relationship is <i>strategically important to both partners, both partners are committed to global marketing, top executives from both partners support</i> the venture. Further recommends that suppliers (1) clarify the role of the GAM team, (2) create realistic incentive structures, (3) follow sustainable HR strategies and (4) build strong networks.
Birkinshaw et al	(2001)	GAM performance	Survey with 106 responses from 16 companies	Finds that efficiency and sales growth is positively related to <i>information-processing capacity</i> (scope of account, communication, support systems) and factors affecting <i>relative bargaining power</i> of the vendors (centralisation, customer dependence on vendor). Partnership with customer is related to the experience of the account manager and firm dummy variables.
Harvey et al.	(2003a)	GAM implementation	Conceptual	Examines supplier motives and rationale to pursue a GAM strategy and proposes a plan for introducing GAM.
Harvey et al.	(2003b)	GAMgrs / teams	Conceptual	Describes a changing supply manager's role to optimize the global customer knowledge and evaluates challenges of GAM teams.
Wilson and Millman	(2003)	GAMgrs	Conceptual	Discusses the role of the global account manager based on Millman and Wilson's (1995) relationship model and identifies GAMgrs as political entrepreneurs distinguishing between <i>arbiters, renegades, partisans</i> and <i>self-servers</i> .

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Wilson and Weilbaker	(2004)	GAM implementation	Conceptual	Develops a conceptual stage model for GAM implementation and evolution: getting started (defining and analysing suppliers / customers), developing competencies (GAM strategy development, roles, operations, and organisational competencies) and sustaining the effort (senior executive engagement, overcoming organisational challenges).
Shi et al.	(2004)	GAM capabilities	Conceptual	Proposes a conceptual model of GAM capabilities (collaboration orientation, GAM strategic fit and GAM configuration) positively affecting GAM performances (dyadic competitive advantage and joint profit performance)
Shi et al.	(2005)	GAM performance	Literature synthesis and interviews with executives from Fortune 500 companies	Proposes that <i>intelligence acquisition</i> (creating new demands), <i>coordination</i> (inter-organisational and cross-country) and <i>reconfiguration</i> (ability to modify existing configurations) impact on <i>GAM performance</i> (market performance and profitability).
Hollensen	(2006)	GAM structure	2 case studies within global suppliers	Outlines that local adaptation of GAM and combination of central and decentralised GAM approach strengthens positions of suppliers.
Toulan et al.	(2006)	GAM performance	Survey with 106 responses from 16 companies	Finds that <i>structural fit</i> (dispersed versus centralised, senior executive involvement), and <i>strategic fit</i> (strategic importance, product / marketing strategy) predict <i>global account performance</i> (efficiency and sales growth, learning from the global account).
Yip and Bink	(2007)	GA segmentation	Conceptual	Provides a balanced scorecard for selecting global accounts and identifies three forms of GAM: <i>coordination</i> , <i>control</i> and <i>separate</i> GAM.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Zupancic and Müller	(2008)	GAM implementation	Survey with 92 responses from SAMA members	Differentiates supplier profiles and provides specific recommendations for GAM set-up considering five dimensions; <i>Strategy, Solution, People, Management, and Screening</i> .
Canegrati	(2009)	GAM implementation	Conceptual	Evaluates three major dimensions for GAM implementation ( <i>understanding and acceptance, internal communication and managing transition</i> ) and develops a five step implementation plan: (1) <i>creating vision</i> , (2) <i>defining implementing transformation strategy</i> , (3) <i>address management of chance (MOC)</i> , (4) <i>starting the journey</i> and (4) <i>building from success</i> .
Krentzel	(2009)	GAM implementation	Conceptual	Illuminates challenges and pitfalls of GAM implementation with regards to <i>system view, customer focus</i> and <i>appropriate implementation strategy</i> .
Shi et al.	(2010)	GAM strategies	Survey with 203 responses from SAMA members	Identifies that (1) <i>global strategic priority</i> and <i>globalisation</i> are drivers of four GAM strategies ( <i>inter-country coordination, inter-organisational coordination, marketing activities standardisation, global integration</i> ) significantly determining <i>GAM performance</i> , (2) <i>Global customer demand</i> positively moderates the effects of <i>marketing activities standardisation</i> and <i>global integration</i> , (3) <i>GAM performance</i> significantly predicts <i>relationship continuity</i> .
Salojärvi et al.	(2010)	GAM knowledge utilisation	Survey with 169 responses from 97 Finish industrial firms	Explores the relationships between intra-organizational factors and customer knowledge utilisation and reveals that the <i>use of teams, top management involvement, formalization</i> and <i>CRM technology</i> enhances the <i>utilisation of customer knowledge</i> in GAM.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Atanasova and Senn	(2011)	GAM teams	Survey with 273 responses from 113 global customer teams in 6 companies	Offers a conceptual framework for global customer teams (GCT) and empirically confirms that (1) <i>GTC design</i> (goal and role clarity, customer coverage, empowerment, heterogeneity, skills adequacy, leadership) and <i>organisational context</i> (top management support, rewards and incentives, training) have a positive influence on <i>GTC processes</i> (communication and collaboration, conflict management, and proactiveness), (2) <i>GTC processes</i> influence relational and financial GTC performance.
Gao and Shi	(2011)	GAM performance	Survey with 203 responses from SAMA members	Provides an integrative framework on the formulation of global account coordination mechanisms and discover that (1) <i>inter-organisational support, fit, dependency</i> and <i>customer characteristics</i> affect <i>inter-organisational (IOC)</i> and <i>inter-country coordination (ICC)</i> , (2) <i>IOC</i> and <i>ICC</i> positively influence <i>GAM market performance</i> and <i>relationship continuity</i> .
Shi and Wu	(2011)	GAM reconfiguration	Survey with 203 responses from SAMA members	Investigates the importance of reconfiguration and GAM and finds that (1) reconfiguration impacts <i>GAM competitiveness</i> , (2) <i>market dynamism</i> moderates this relationship and (3) <i>intelligence acquisition</i> as well as (4) <i>global integration</i> are positively associated with GAM reconfiguration.
Swoboda et al.	(2012)	GAM performance	Survey with 172 responses from manufacturing companies	Empirically underlines that suppliers respond to centralised and standardised purchasing by <i>centralising strategic</i> and <i>tactical GAM activities</i> , with the former, moderated by the <i>dependency on key account</i> , directly influencing <i>GAM performance</i> .

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Salojärvi and Saarenketo	(2013)	GAM teams	Survey with 112 responses from Finish industrial firms.	Evaluates that GAM teams (1) are associated with higher levels of <i>knowledge acquisition, dissemination and utilisation</i> , (2) are not related with <i>higher levels of esprit de corps</i> and (3) increase <i>GAM performance</i> .
Jean et al.	(2015)	GAM capabilities	15 interviews with account / marketing managers, survey with 264 responses from international buying and Taiwanese selling companies.	Provides a conceptual IKAM capability model and finds empirical significance for (1) <i>market scanning</i> and <i>trust</i> influencing IKAM capability, (2) <i>IKAM capability</i> predicting market performance and (3) <i>IT advancements</i> and <i>cultural distance</i> moderate the development of <i>IKAM capability</i> .

#### **(4) The specialisation of KAM**

Dishman and Nitse	(1998)	KAM implementation / structure	27 interviews with NAMA members	Discusses options for KAM implementation and describes KAM and customer organisations in terms of number and size.
Kempeners and van der Hart	(1999)	KAM implementation / structure	7 case studies in 7 different companies in NL	Investigates the KAM organisation and finds 15 topics representing major decisions in KAM design process.
Sengupta et al.	(2000)	KAMgrs	Survey responses from 176 NAMA members	Provides model to asses KAMgrs performance with <i>individual-level abilities</i> (strategic, intrapraneurial) affecting <i>relationship processes</i> (communication quality customer trust) which predict <i>relationship outcomes</i> (perceived effectiveness).

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Ojasalo	(2001)	KAM elements	Conceptual	Characterises general nature of KAM and identifies four basic elements: (1) <i>identifying key accounts</i> , (2) <i>analysing key accounts</i> , (3) <i>selecting suitable relationships strategies</i> and (4) <i>continuously developing operational capabilities</i> to improve relationships.
Abratt and Russel	(2002)	KAM relationships	Survey with response from 92 suppliers and 98 key account customers.	Explores the perception of success factors in KAM partnerships and finds that <i>knowledge and understanding of customers' businesses, proper implementation of and commitment to the KAM program, sustainability of KAMgrs and trust</i> are critical <i>success factors in customer-supplier relationships</i> .
Homburg	(2002)	KAM dimensions /approaches	Survey with 385 responses from 264 German and 121 U.S.	Identifies <i>activities, actors, resources and formalisation</i> as fundamental KAM dimensions and outlines eight approaches: top-mgmt., middle-mgmt., operating level-level, cross-functional dominant, unstructured, isolated, country-club and no KAM.
Schulz and Evans	(2002)	KAMgrs	Survey responses from 122 Fortune 500 companies	Evaluates that <i>collaborative communication</i> (informality, bi-directionality, frequency, strategic content) stimulates relational <i>KAM relationship outcomes</i> (trust in KAR, KAR role performance and synergistic solutions).
Workman	(2003)	KAM effectiveness	Survey with 385 responses from 264 German and 121 U.S. companies	(1) Proposes that <i>KAM activities, actors, resources and KAM formalisation</i> affect KAM and (2) finds that <i>intensity, proactiveness, top management support, KAM Team esprit de Corps and control over marketing / sales resources</i> predict <i>KAM effectiveness</i> which affects <i>market performance</i> and thus impacts on <i>profitability</i> .

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Jones et al	(2005)	KAM Teams	Conceptual	Provides conceptual Key Drivers of Team Selling Success in a framework and suggest that use of teams in KAM is growing.
Ryals and Rogers	(2005)	KAMgrs	Conceptual	Discusses compensation plans for sales personnel and stresses variable pay options for KAMgrs with recommendation for portfolio approach linking reward systems to relationship type.
Gosselin and Bauwen	(2006)	Conceptual view on KAMgrs	Survey with 115 responses from account managers	Considers KAM from an integrated business process perspective encompassing marketing and sales activities focussing on customer selection and alignment.
Hutt and Walker	(2006)	KAMgrs	Conceptual	Provides a social network perspective of KAMgrs performance.
Pardo et al.	(2006)	KAM value	Conceptual	Develops a conceptional key account value model dressing aspects of exchange <i>customer</i> , <i>proprietary supplier</i> , and <i>relational KAM value</i> .
Sharma	(2006)	KA success	Data from 57 key accounts of a consulting firm	Identifies that investment by the marketer, levels of dissatisfaction, social/personal bonds, and environmental changes support KA success.
Ryals and Rogers	(2006)	KAM relationships	Conceptual	Explores that customers increasingly focus on relationship evaluation and outline <i>that supplier might suffer delusion</i> (misinterpretation of current status) if KAMgrs <i>underestimate performance measurement</i> .
Wengler et al.	(2006)	KAM implementation	Survey with 91 responses and 35 interviews.	Reports that (amongst others) increasing internationalisation of customers and increasing customer orientation are the strongest drivers for KAM implementation and discusses implementation process.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Guenzi et al.	(2007)	Relational Selling Strategies	Survey with 130 responses	Finds that relational selling strategies ( <i>customer-oriented selling, adaptive selling, team selling</i> ) facilitate KAM relationship building.
Ivens and Pardo	(2007)	KAM relationships	91 key account relationships and 206 ordinary supplier-buyer dyads	Identifies (1) that KAs generally receive more <i>relational investment</i> from their suppliers, (2) the increased attention does not lead to higher levels of <i>customer satisfaction</i> or <i>trust into the supplier</i> but strengthens the <i>customer's commitment</i> .
Ryals and Rogers	(2007b)	KAM planning	Interviews with 12 supplier-customer dyads, 37 questionnaires, 8 dyadic interview, survey with 25 KAMgrs.	Outlines the importance and benefits of KA planning for strategically and customer-oriented suppliers by discussing the <i>structure of KA planning, benefits of KAM planning, the planning process, the content of KAM plans</i> and <i>common defects of KAM plans</i> .
Ivens and Pardo	(2008)	Underlying assumptions of KAM	Survey with 297 responses from German suppliers	Explores that KAM does not improve <i>process coordination</i> , is not reserved for <i>long-term customers</i> , does not justify <i>price premiums</i> and is not linked to <i>contractual governance</i> .
Richards and Jones	(2009)	KAM performance	Interviews with 25 KAMgrs in 18 companies, literature synthesis	Presents a conceptual KAM performance model and labels <i>strategic, operational</i> and <i>personal fit</i> as (1) <i>antecedents</i> to <i>relationship effectiveness</i> , (2) <i>moderators</i> of existing antecedents and (3) links the <i>relationship effectiveness</i> to <i>KAM performance</i> .
Al-Husan and Brennan	(2009)	KAM implementation	Single-company case study	Explores the implantation of KAM programmes in an Arab telecommunication company, finds similarities to Western approaches and distinguishes between key and strategic accounts.



Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Davies and Ryals	(2009)	KAM implementation	Survey with 212 responses from attendees of KAM educational programmes	Provides model for implementing and transitioning to KAM including four stages: <i>Introducing KAM</i> , <i>Embedding KAM</i> , <i>Optimising KAM</i> and <i>continuous improvement</i> of KAM.
Bradford et al.	(2012)	KAM Teams	Conceptual	Describes factors and key drivers for account team structure.
Nätti and Palo	(2012)	KAM implementation	Single-company case study	KAM implementation requires <i>management commitment</i> , <i>supportive management systems</i> , <i>sufficient resources</i> , <i>follow-up mechanisms</i> , <i>importance of justification</i> , <i>clear goals</i> , <i>knowledge sharing structure / culture</i> and presupposes <i>discretion</i> , <i>coordination</i> and <i>local flexibility</i> .
Storbacka	(2012)	KAM design	Data from 9 multi-national companies, literature review	Outlines performance improvements throughout the <i>alignment of inter-organisational</i> (account portfolio definition, account business planning, account specific value proposition, account management process) and <i>intra-organisational design elements</i> (organisational integration, support capabilities, account performance management, account team profile and skills) between suppliers and customers.
Al-Husan et al.	(2014)	Environmental factors of KAM	50 interviews with endogenous Western firms in Jordan	Draws on network approach and contingency theory, develops a KAM framework and identifies environmental factors ( <i>institutional / cultural</i> , <i>product</i> and <i>customer complexity</i> , <i>Western influence</i> , <i>competition</i> , <i>industry sector</i> , <i>ownership</i> ) influencing KAM relationships in in the Arab Middle East.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Ashill et al.	(2013)	KAM relationships (processes)	Conceptual	Discusses central processes of KAM relationship development and finds <i>collaborative communication</i> most critical during <i>exploration phase</i> , <i>collaborative communication</i> and relational <i>co-creation of value</i> most critical during <i>built-up phase</i> , <i>joint problem-solving</i> most critical during <i>maturity phase</i> .
Gounaris and Tzempelikos	(2013)	KAM orientation	Survey with 304 responses from companies of various industries	Provides a conceptional KAM orientation (KAMO) model and empirically underlines that (1) KAMO influences suppliers' <i>financial</i> and <i>non-financial performance</i> , (2) <i>non-financial performance</i> predicts <i>financial performance</i> , (3) <i>relationship quality</i> mediates the relationship between KAMO, <i>financial</i> and <i>non-financial performance</i> , (4) <i>relational capabilities</i> mediate the relationship between KAMO, <i>financial</i> and <i>non-financial performance</i> .
Rehme et al.	(2013)	KAM evolution	Single-company case study	Finds that KAM evolves as reactive and pro-reactive strategy, needs to be distinguished between KAM program level and the dyadic KAM relationship, affects organisational structure and expands the sales and marketing interface.
Davies and Ryals	(2014)	KAM performance	Survey with 209 responses from key account managers and directors	Evaluates 22 <i>KAM practices</i> and identifies (1) interrelations with <i>satisfaction of KAM programmes</i> , (2) <i>influences on KAM effective measures</i> , (3) influences of effective measures on KAM performance. Interestingly, reports KAM more effective at driving relationship benefits for customers than financial pay-off for suppliers.

Author(s)	Year	Focus of the work	Method / Sample	Key statement(s) of the work
Friend and Johnson	(2014)	KAM relationships	99 interviews with executives across 52 key accounts.	Overtakes the customer view and develops a KAM relationship model identifying <i>commitment, trust, adaptation, customer orientation, communication, partnership</i> and <i>value</i> as predictors of KAM relationship outcomes.
Gounaris and Tzempelikos	(2014)	KAM relationships / performance	Survey with 304 responses from companies of various industries	Empirically outlines structural and relational implications of KAM performance drawing on <i>KAMO, organisational capabilities, relational capabilities, relationship quality</i> and its impact on <i>KAM performance outcomes</i> .
Guesalaga	(2014)	Top management involvement in KAM	Survey with 261 responses from key account managers	Introduces a model for top management involvement (TMI) and reports interrelationships of <i>direct TMI</i> (strategic / tactical / social customer contact) and <i>indirect TMI</i> (strategic / tactical / organisational alignment) with <i>KAM performance</i> and <i>relationship quality</i> .
Marcos-Cuevas et al.	(2014)	KAM Implementation	4 case studies within multiple companies	Illuminates the strategic and operational level practices in KAM implementation and outlines critical <i>strategic</i> (incentive schemes to support KAM, design of KAM structures, KAM investments) and <i>tactical dilemmas</i> (style of executive support, role KAMgrs).
Guenzi and Storbacka	(2015)	KAM implementation	Single-company case study	Builds on insights from longitudinal case study and uses McKinsey 7S model to outline success factors of transitioning / adopting KAM.
Tzempelikos and Gounaris	(2015)	KAM performance	Survey with 304 responses from companies of various industries	Explores that KAM positively impacts on supplier-customer relationships and outlines that especially (1) <i>account planning and selection</i> , (2) <i>top management involvement</i> , (3) <i>KAM esprit de corps</i> , (4) <i>use of teams</i> , (5) <i>KAM activities</i> and (6) <i>KAM evaluation</i> predict KAM outcomes.

## Appendix A2: Skills & Competencies of KAMgrs / GAMgrs

Author(s)	Skills, competencies and attitudes of key account managers
Wotruba and Castleberry (1993)	<p><b>Traits:</b> Integrity; self-motivation; concern for ethics; tact; responsibility; creativity; achievement orientation; ambition; realism; empathy; entrepreneurship; teachable; aggressive</p> <p><b>Knowledge / Experience:</b> Experience in handling large accounts; of company operating strengths/weaknesses; of company products; of company procedures; of customer's company personnel and personalities; experience in planning and goal setting; of company personnel and personalities; of customer's industry; of customer's company operating strengths/weaknesses; of industry practices and trends; of customer's company procedures; of pricing and terms of sale.</p> <p><b>Skills / Abilities:</b> Relationship building; coordination; negotiation; human relations; focus on specific objectives; diagnosing customer problems; presentation skills; generating visibility/reputation; communication; working as a team; conflict resolution; dealing with objectives; leadership; closing; dealing with lots of information; approach; diagnosing one's own performance problems; detail-oriented; teaching ability; successful previous selling history;</p>
Boles et al. (1996)	Long-term perspective; honesty; post-sales support; creative problem solving; understand customer needs; knowledge of product / capabilities; understand customer's business; meet commitments.
McDonald et al. (1997)	Integrity; product / service knowledge; communications; understanding the buying company's business and business environment; selling / negotiating skills.
Weeks and Stevens (1997)	Provide empirical evidence for <b>Skills / Abilities</b> outlined by Wotruba and Castleberry (1993); additionally outline understanding financial statements and analysis as well as personality analysis.
McDonald and Rogers (1998)	<p><b>Personal qualities:</b> Integrity; resilience / persistence; selling / negotiating; likeability.</p> <p><b>Subject knowledge:</b> Product knowledge; understanding of business environment / markets; financial knowledge; computer literacy; languages / cultural knowledge.</p> <p><b>Thinking skills:</b> creativity / flexibility; strategic thinking /</p>

	planning; boundary spanning. <b>Managerial skills:</b> Communication skills; people management / leadership; credibility; administration / organisation.
Millman and Wilson (1999b)	<b>GAM competencies:</b> Communication skills; global team leadership and management skills; business and financial acumen; relationship management skills; strategic vision and planning capabilities; problem-solving capabilities; cultural empathy; selling skills (internal and external); industry and market knowledge (self and customer); product service knowledge
Sengupta (2000)	<b>Strategic ability:</b> analyse customer organisational and business problems; focus on long-term interests; broad visions and judgment in synthesising information. <b>Intrapreneurial ability:</b> Locate personnel and resources to support KAs; take risks to pursue ideas; informal influence within the supplying firm.
Cheverton et al. (2004)	<b>Leadership skills:</b> Ability to coordinate and motivate cross-functional customer teams; <b>Influencing skills:</b> Internal and external influence to “make things happen” and create value for the customer; <b>Strategic vision:</b> Identify opportunities and provide solutions, build networks and long-term relationships, focus on cooperation and consultancy. <b>Reward focus:</b> Understand and enhance the supplier’s profitability, focus on team rewards.
Hutt and Walker (2006)	Extensive network within own organisation; social ties outside of the immediate workgroup; different sources of information; strong ties within / weaker ties outside the workgroup; large network of social ties and great network range within the client organisation; strong ties with key buying centre members; social ties outside of the purchasing unit;
Ryals and McDonald (2010)	<b>Core competencies:</b> Fundamental knowledge of the product, customer and customer’s industry. Ability to inspire and gain trust. Project management, interpersonal, selling and negotiating skills. <b>Advanced competencies:</b> Commercial awareness and strategic visions. Consultancy skills; Business performance improvement; Advanced KAM planning; internal management; Team leadership; Advanced marketing techniques. <b>GAM competencies:</b> Cultural; systems and processes; managing dispersed teams; managing conflicts between global and local interests; global logistics and service; location; communication.

## Appendix B1: Interview Guideline

Interview framework for qualitative study on GAM and Corporate Culture in accordance to the research project.

### 1. Informed consent

### 2. Introduction to the topic

- a. Introduction of the interviewer
- b. Explanation of research topic and findings in literature
- c. Introduction to the interview structure

### 3. Introduction of the interviewee

- a. Name, department, job title / description
- b. Years of job experience
- c. Number of customers and other important facts, concerning job, customers, career, background...

### 4. Specific Questions

**This section serves to identify the importance of corporate culture in relation with (global) account management activities.**

- Describe your company's / customers' GAM structure, strategy, corporate culture.
- Any particularities, differences among various business units / customers / regions?
- Rate the importance of GAM structure, strategy, culture with regards to performance.
- How does **your company's** corporate culture influence / impact your area of work (GAM)?
  - Structure, People, Processes, Strategy, Performance, etc...
- How does the **customer's corporate** culture influence / impact your area of work (GAM)?
  - Structure, People, Processes, Strategy, Performance, etc...
- Do customers expect an adaptation to their culture?
- How can corporate (customer /supplier) culture be used to enhance customer orientation?
- How would you assess the impact of a structural, strategic and cultural compatibility with regards to GAM performance?
- Do you experience any trends within the area of GAM and / or Corporate Culture?

### 5. Thank you & Feedback

- Directions of topic
- Improvements questions / questionnaire
- Improvements interview conduction
- Snowball technique (Recommendation of other potential experts)

## **Appendix B2: Informed Consent for Interviews**

### *§1 Purpose of the interview*

This research project is being conducted as a component of a dissertation for a doctoral degree at Coventry University. The purpose of the project is to identify how Corporate Cultural factors influence Global Account Management performance and how enhanced customer orientation can be achieved. You have been chosen as an expert because your work and your experience is closely related to the topic of Global Account Management.

### *§2 Procedure*

Your participation in this project is voluntary and you may withdraw from participation at any time, up to the completion date of this project, which is expected to be beginning 2014. During the interview, you can choose to not answer any question(s) at any time for any reason. You agree to participate in one or more electronically recorded interviews for this project. The tapes and transcripts will become the property of project.

### *§3 Anonymity & Publication*

The respondent understands that such interviews and related materials will be kept completely anonymous. The researcher assures that no conclusion can be drawn to name or personal information of the participant. On this basis, the results of this study may be anonymously published in an academic journal or book.

### *§4 Benefits*

It is hoped that the results of this study will benefit the research community in the field of account management through providing greater insights into the corporate culture and global account management.

### *§5 Compensation for participation*

After completing data analysis, every participant will be provided with a detailed report of the results.

### *§6 Agreement to participate*

I, \_\_\_\_\_, agree to be interviewed for the research project "Corporate cultural influence on Global Account Management" which is being performed by Holger Wendt, member of the faculty of Engineering and Computing of Coventry University. I certify that I have been told of the confidentiality of information collected for this project and the anonymity of my participation; that I have been given satisfactory answers to my inquiries concerning project procedures and other matters; and that I have been advised that I am free to withdraw my consent and to discontinue participation in the project or activity at any time without prejudice. I agree that any information obtained from this research may be used in any way thought best for this study.

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

## Appendix B3: Case Study Participant Overview

Interview Number	Date	Duration (in minutes)	Professional Experience (in years)	Hierarchy Level	Location
1	16.07.2012	56:30	13	GAM	Europe
2	17.07.2012	37:10	16	RAM	North America
3	18.07.2012	46:10	15	GAM	Europe
4	06.08.2012	48:35	8	OEM Sales Manager	Europe
5	26.09.2012	47:30	25	RAM	Europe
6	09.10.2012	38:28	17	Central Sales	Europe
7	12.10.2012	41:21	13	Marketing Director	Europe
8	20.09.2012	59:08	15	GAM	Europe
9	29.10.2012	33:10	11	RAM	North America
10	30.10.2012	48:00	14	Vice President Sales	North America
11	06.11.2012	48:03	12	RAM	North America
12	09.11.2012	35:12	6	AM	North America
13	13.11.2012	34:39	10	GAM	North America
14	13.11.2012	55:05	25	GAM	North America
15	15.11.2012	49:33	27	Executive Vice President	North America
16	19.11.2012	37:03	7	AM	North America
17	21.11.2012	27:40	22	RAM	North America
18	30.11.2012	45:37	25	Executive Vice President	North America
19	11.12.2012	38:10	21	Regional President	North America
20	13.01.2013	47:23	15	GAM	Europe
21	20.02.2013	29:45	22	Executive Vice President	Europe
<b>Average:</b>		<b>43:03</b>	<b>16</b>		

GAM = Global Account Manager

RAM = Regional Account Manager

AM = Account Manager



## Appendix C1: E-Mail Invitation for Survey

Subject:

Corporate Culture & Account Management - Coventry University Research Project

Dear Sir or Madam,

I'd like to invite you to participate in this survey about how Corporate Culture influences the success of Global Account Management Organisations.

The study is part of a research PhD project executed through the Faculty of Engineering and Computing at Coventry University. The aim is to foster the understanding of how global customer relationships are influenced by corporate cultural factors.

Your participation should take approximately 10 minutes.

Link to survey: **<http://gam-research.questionpro.com>**

After completion of the study you can voluntarily leave your email address to be entered into a drawing of 10 x \$20 USD Amazon gift cards sponsored by Coventry University.

This study is strictly anonymous and entirely on a voluntary basis. You have the right to withdraw your consent or discontinue participation at any time.

In case you have any questions regarding the questionnaire or want to discuss about the complete research project, please feel free to contact:

Holger Wendt

PhD Research Student

Content removed on data protection grounds

Coventry University  
Faculty of Engineering and Computing  
United Kingdom  
[www.coventry.ac.uk](http://www.coventry.ac.uk)

This E-Mail is originally sent by the researcher mentioned above and does not contain Phishing or Spam.

## Appendix C2: Survey Questionnaire

**Dear Participant,**

Thank you for:

- Investing 10 minutes of your time to support this research on Global Account Management.
- Answering all questions referring to **the (Global) Account Management Organisation** you are working in / or closely with.
- Taking **your single most valuable customer as a reference for the questionnaire.**
- Leaving your E-Mail when finished you have the chance to win 1 out of 10 - \$20 USD Amazon gift cards.

*Global Account Management (GAM) Organisation:*

Centrally coordinated organisational function with dedicated resources to serve global key customers.

*Global Customer / Global Account*

Important multinational customer expected to be supplied worldwide in a consistent and coordinated way.

Performed by:

Holger Wendt  
Faculty of Engineering & Computing

Content removed on data protection grounds



This section focuses on structural dimensions...

### Personnel Match

	Strongly Disagree				Strongly Agree
The decision-making hierarchy of our GAM Organisation matches our global customers' purchasing organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The people in our GAM Organisation share a similar cultural background with their counterparts on the customer side.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...share a similar educational background with their counterparts on the customer side.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...are trained well in customer related topics (organisational, product, financial, legal, cultural topics).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Geographical Coverage

	Strongly Disagree				Strongly Agree
Our GAM organisation has representative's at all major customer locations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The head of our GAM organisation is located close to the decision base of the Global Account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do business with our global account customer in whatever country the global account wants to do business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Internal Support

	Strongly Disagree				Strongly Agree
Our Top Management assigns sufficient resources to our GAM organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is not actively involved in GAM activities and does not support project acquisitions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...assigns sufficient decision-making authority to our GAM organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...has developed strong relationships to its counterparts on the customer side.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Process Fulfilment

	Strongly Disagree				Strongly Agree
Our GAM organisation is able to support our customer's sourcing processes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...to support our customer's product / service development processes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...to support our customer's processes during series production / service delivery.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section focuses on strategic dimensions...

### Product Strategy

	Strongly Disagree				Strongly Agree
Our GAM organisation drives our product / service portfolio strategy towards the requirements of our Global Customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our product / service pricing meets our customer's cost targets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our product / service quality meets our customer's quality targets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We actively identify future product / service requirements and promote suitable solutions for our Global Customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Market Operations

	Strongly Disagree				Strongly Agree
Our world-wide marketing activities cover the globalisation strategy of our customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In our partnership with the customer we pursue joint marketing activities to promote new products / services for target markets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...we develop market-specific decisions (i.e. Localisation of manufacturing, supply chain set up, etc.) together.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Growth Alignment

	Strongly Disagree				Strongly Agree
The growth plan of our Global Account Management organisation is in line with our customer's global planning ...in terms of market share.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...in terms of turnover.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The growth plan of our regional subsidiaries is in line with our customer's regional planning ...in terms of market share.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...in terms of turnover.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The profitability targets of our Global Account Management organisation are in line with our customers' targets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section focuses on cultural dimensions...

### Organisational Congruence

	Strongly Disagree				Strongly Agree
<u>Our company</u>					
...shares a similar historical background as our customer's company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...builds on the same corporate values as the customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...type is similar to our customers (e.g. LLC, Inc., Corp.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is strongly driven by hierarchical decision-making.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is centrally coordinated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Our customer</u>					
...is strongly driven by hierarchical decision-making.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is centrally coordinated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Adaptability

	Strongly Disagree				Strongly Agree
<u>The way our company operates</u>					
...is difficult to change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...allows to respond quickly to competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>The way our customer operates</u>					
...is difficult to change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...allows to respond quickly to competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations for improvements in the business relationship often lead to changes in <u>our organisation</u> .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations for improvements in the business relationship often lead to changes in <u>the customer's</u> organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section focuses on cultural dimensions...

### Level of Innovation

	Strongly Disagree				Strongly Agree
<u>Our company</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...recognises itself as an innovative company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is open to experiment with new ways of doing business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is willing to take risks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...reacts quickly to take advantage of upcoming opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Our customer</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...recognises itself as an innovative company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is open to experiment with new ways of doing business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...is willing to take risks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...reacts quickly to take advantage of upcoming opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Collaboration

	Strongly Disagree				Strongly Agree
<u>Our company</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...intends to quickly resolve conflicts with our customer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...shares sufficient information to do business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...provides a high level of transparency when doing business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...treats our customer fairly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Our customer</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...intends to quickly resolve conflicts with our company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...shares sufficient information to do business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...provides a high level of transparency when doing business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...treats our company fairly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section focuses on performance...

### Relational

	Strongly Disagree				Strongly Agree
Our GAM organisation is able to resolve disagreements quickly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The customer trusts in our GAM organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The customer involves our GAM organisation in early product development stages.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our GAM organisation meets its targets and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our relationship with the Global Customer is a long-term alliance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is very unlikely that we continue the business relationships with our Global Account in the future.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Financial

Over the past 3 years, how well has your GAM organisation performed with respect to:

	Poor				Excellent
Growth in Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Share of Global Customer budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cross-selling into various divisions of the customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Just a few more facts...**

In which type of Industry are you working in?	
Manufacturing / Engineering	<input type="checkbox"/>
IT	<input type="checkbox"/>
Finance / Insurance	<input type="checkbox"/>
Service	<input type="checkbox"/>
Others	<input type="checkbox"/>

How many people work in your Account Management organisation?	
1-5	<input type="checkbox"/>
6-10	<input type="checkbox"/>
11-15	<input type="checkbox"/>
16-20	<input type="checkbox"/>
more than 20	<input type="checkbox"/>

What is the approximate annual turnover with your specific Global Customer? (in mio. \$ USD)	
1-10	<input type="checkbox"/>
11-20	<input type="checkbox"/>
25-50	<input type="checkbox"/>
51-100	<input type="checkbox"/>
more than 100	<input type="checkbox"/>



### Just a few more facts...

What is your position in the company?	
Sales Executive	<input type="checkbox"/>
Global Account Manger	<input type="checkbox"/>
Regional Account Manger	<input type="checkbox"/>
Account Manger	<input type="checkbox"/>
Sales Representative	<input type="checkbox"/>
Marketer	<input type="checkbox"/>
Others	<input type="checkbox"/>

How many years of experience in the area of Account Management do you have?	
0-2y	<input type="checkbox"/>
3-5y	<input type="checkbox"/>
6-8y	<input type="checkbox"/>
9-11y	<input type="checkbox"/>
more than 11y	<input type="checkbox"/>

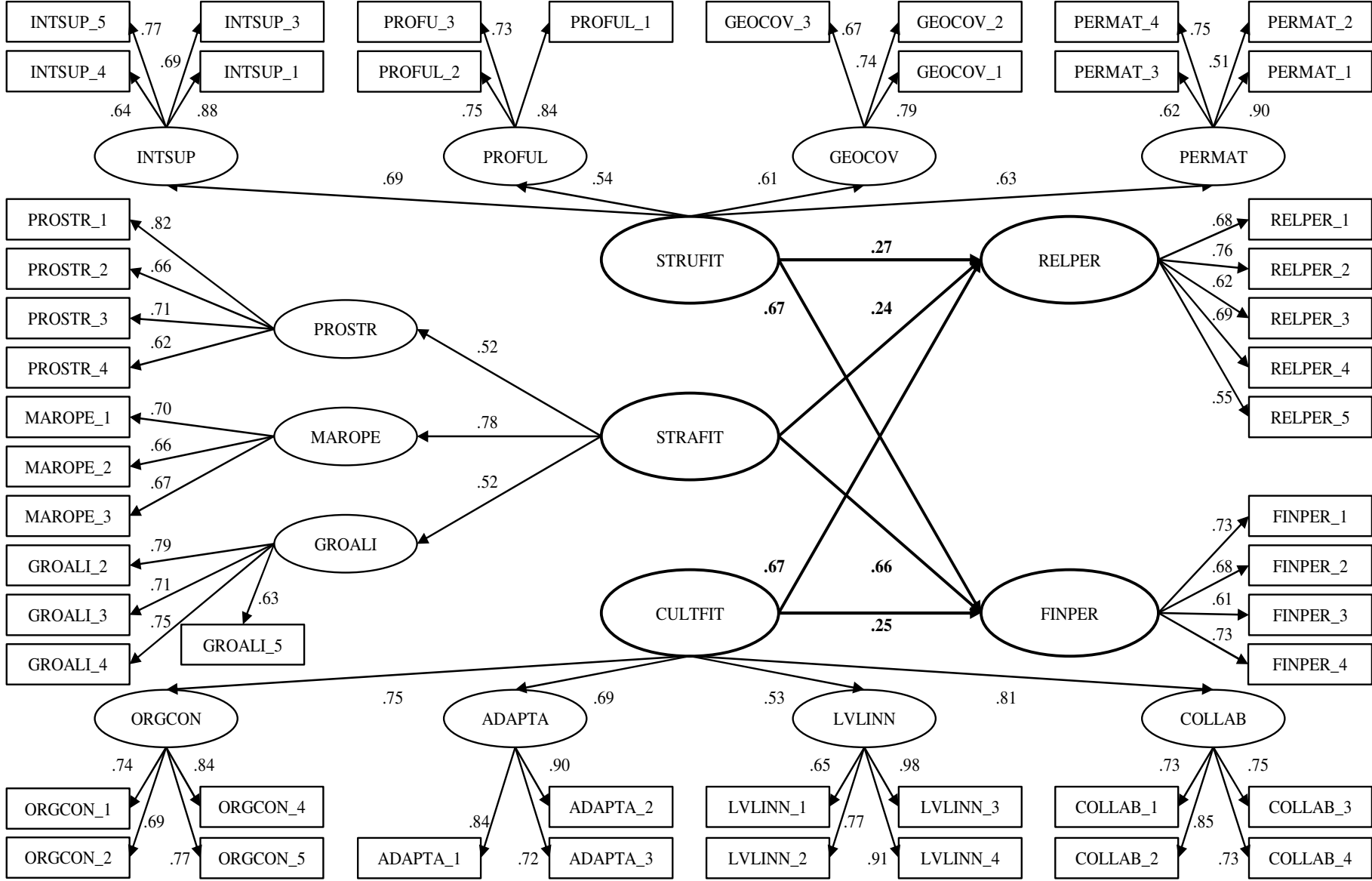
What's your gender	
Male	<input type="checkbox"/>
Female	<input type="checkbox"/>

Do you have an additional comments / suggestions concerning this research?	

## Appendix C3: Independent Sample t-Test Results

Independent Samples Test			
Independent Variables	t-test for Equality of Means		
	t	Sig. (2-tailed)	Mean Difference
PERMAT_1	.578	.564	.090
PERMAT_2	-.294	.770	-.045
PERMAT_3	-.993	.322	-.181
PERMAT_4	.666	.506	.121
GEOCOV_1	.194	.846	.030
GEOCOV_2	.543	.588	.090
GEOCOV_3	.881	.380	.136
INTSUP_1	.444	.657	.075
INTSUP_2	.147	.883	.030
INTSUP_3	1.064	.289	.196
INTSUP_4	.338	.736	.060
INTSUP_5	1.039	.301	.181
PROFUL_1	-.835	.405	-.121
PROFUL_2	1.337	.184	.212
PROFUL_3	.097	.923	.015
PROSTR_1	-.089	.929	-.015
PROSTR_2	-.627	.532	-.121
PROSTR_3	-1.442	.152	-.272
PROSTR_4	-.081	.936	-.015
MAROPE_1	.836	.404	.136
MAROPE_2	.407	.685	.075
MAROPE_3	.257	.798	.045
GROALI_1	-.791	.461	-.060
GROALI_2	.088	.930	-.0152
GROALI_3	.095	.925	.0151
GROALI_4	1.210	.228	.197
GROALI_5	.744	.458	.136
ORGCON_1	.237	.813	.045
ORGCON_2	-.964	.337	-.196
ORGCON_3	-.365	.716	-.075
ORGCON_4	-.149	.882	-.030
ORGCON_5	-.075	.940	-.015
LVLINN_1	.181	.856	.030
LVLINN_2	-.670	.504	-.121
LVLINN_3	-.674	.501	-.121
LVLINN_4	-1.574	.118	-.272
ADAPTA_1	.597	.551	.106
ADAPTA_2	.985	.326	.181
ADAPTA_3	.243	.808	.045
COLLAB_1	-.460	.646	-.075
COLLAB_2	.173	.863	.030
COLLAB_3	-.247	.805	-.045
COLLAB_4	-.345	.730	-.060

Appendix D1: Full Structural Path Model



Note: All factor loadings are significant at the  $p < 0.001$  /  $p < 0.01$  level